Supreme Court, U.S.
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OFFICE OF THE CLERK

No. _____

IN THE

Supreme Court OF United States

De Shen Petitioner

vs.

T.D. Waterhouse Investor Service Respondent

On Petition For Writ Of Certiorari To

US Court Of Appeals For The First Circuit

SUPPLEMENTAL APPENDIX OF PETITION FOR WRIT OF CERTIORARI

De Shen

11 Summer Ave

Malden, MA 02148

(781) 324-3285

Aug 1, 2004

INDEX OF SUPPLEMENTAL APPENDIX

Supplemental Appendix 1 6

Plaintiff's Complaint (June 1, 2000) 6

Supplemental Appendix 2 14

District Judge's Opinion only for reference 14

Supplemental Appendix 3 15

District Judge's Opinion only for reference 15

Supplemental Appendix 4 21

Plaintiff's Updated Complaint 21

Supplemental Appendix 5 33

Motion to re-open this case (before arbitration, Feb 3, 2001) 33

Supplemental Appendix 6 38

District Judge's Opinion to be reviewed (1) 38

Supplemental Appendix 7 39

Arbitration Statement of Claim 39

Supplemental Appendix 8 51

Arbitration Causal Challenge For the Fraud of Violating the Rules of Arbitration Panel Selection 51

Supplemental Appendix 9 56

Ms. Elizabeth R. Clancy's Letter 56

Supplemental Appendix 10 59

Arbitration Opening Statement 59

Supplemental Appendix 11 61

Unfair Arbitration Award (Abstract) 61

Supplemental Appendix 12 62

Emails Regarding to the Fraud of Edited Arbitration-Hearing Tape 62

Supplemental Appendix 13 68

One proof of arbitration-hearing tapes were edited 68

Supplemental Appendix 14 70

Motion to re-open this case (after arbitration, Aug 10, 2002) 70

Plaintiff strongly request to re-open this case 71

Supplemental Appendix 15 80

Cover letter for Aug. 10, 2002's Motion 80

Supplemental Appendix 16 84

Motion to Compel The Production Of Documents 84

To Compel The Production Of Documents and to Add the Knight Securities to the Defendant List 85

Supplemental Appendix 17 88

District Judge's Opinion to be reviewed (2) 88

Supplemental Appendix 18 89

District Judge's Opinion to be reviewed (3) 89

Supplemental Appendix 19 90

Motion on having a hearing 90

Supplemental Appendix 20 92

District Judge's Opinion to be reviewed (4) 92

Supplemental Appendix 21 93

On requesting the reason of court ruling 93

Supplemental Appendix 22 95

District Judge's Opinion to be reviewed (5) 95

Supplemental Appendix 23 96

Motion To Compel NASD to Provide True Copy Of Arbitration Hearing Tape 96

Tape Forgery is a Criminal Behavior **97**

Supplemental Appendix 24 ..... **101**

District Judge's Opinion to be reviewed (6) **101**

Supplemental Appendix 25 ..... **102**

Motion to Request Vacation of Arbitration Award **102**

Supplemental Appendix 26 ..... **107**

District Judge's Opinion to be reviewed (7) **107**

Supplemental Appendix 27 ..... **115**

District Judge's Opinion to be reviewed (8) **115**

Supplemental Appendix 28 ..... **116**

Motion To Request Ms. Kelly Davis To Testimony on the Court **116**

Supplemental Appendix 29 ..... **120**

Motion To Add NASD Dispute Resolution, Inc to Defendant List **120**

Supplemental Appendix 30 ..... **123**

District Judge's Opinion to be reviewed (9) **123**

Supplemental Appendix 31 ..... **124**

July 4, 2004's letter to judges of US Court of Appeals for the First Circuit **124**

On 5th Request to Answer the Basic Questions 124

Supplemental Appendix 32 ..... **127**

The return letter from US Court of Appeals for the First Circuit **127**

Supplemental Appendix 1
Plaintiff's Complaint (June 1, 2000)

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

PLAINTIFF: De Shen	)	
v.	)	Trade Fraud on March 7, 2000.
DEFENDANT: T. D. WATERHOUSE INVESTOR SERVICE, INC.,	)	Civil Action No. 00-11190-WGY

COMPLAINT

Parties

1) The plaintiff is a resident of Framingham, Massachusetts.
2) The defendant TD Waterhouse Investor Service, Inc is a brokerage company; It is located at 100 Wall Street, New York, NY 10005

Jurisdiction

3) This court has jurisdiction over this matter pursuant to 15 U.S.C.A. §78a.
Fairness is the **Basic principle** of stock trading. Everyone should be fairly treated in the stock market regardless what race he/she is; regardless which market the stock is traded; regardless which country the stock is traded.

Facts

4) On March 7, 2000, a trade fraud is happened. On March 7, from 10:25:24 to 13:12:48, there are more than 170 times PTUS was traded at the prices beyond my order's limit price, however my order was not filled. [NOTE: I have an open order to sell 5000 shares PTUS stock at price of $2.00. The order number is XOB6072 (valid from Feb. 24 to April 23, 2000). The account number is 46334534. The

brokerage company is TD Waterhouse investor service, Inc.]

According to 15 U.S.C.A. §78a. "Securities Exchange Act of 1934", according to 15 U.S.C.A. §78b Necessity for regulation: "… transactions in Securities as commonly conducted upon Securities exchanges and over-the-counter markets are affected with a national public interest which makes it necessary to provide for regulation and control of such transactions and of practices and matters related thereto, including transactions by officers, …, and to impose requirements necessary to make such regulation and control reasonably complete and effective, in order to protect interstate commerce, …, and **to insure the maintenance of fair and honest markets in such transaction**"

The transaction mentioned in this count (4) is an **unfair transaction**. If you look at the time and sell list of PTUS on March 7, you will see that there are more than three hours, both BID and ASK prices are beyond $2.00 (NOT equal to, and ASK prices is greater than BID price). More than 170 transactions traded above $2.00 during this period.

TD Waterhouse staff told me that OTCBB is not regulated. However, according to 15 U.S.C.A. §78b, (Page 29) "Within preamble to this section declaring that security transactions as commonly conducted upon 'securities exchanges' and 'over-the-counter markets' are affected with national public interest, **the quoted words mean any security-transfer business wherein the business of marketing securities is conducted**." Thus, the unfair transaction in OTCBB shall not be tolerated also.

I believe I have the right to ask the defendant to commit the mistake or inside trade fraud. I, on this count of my complaint, pray for damages equal to three times of my losses: $2 * 5000 * 3 = $30,000.00.

5) TD Waterhouse was Cheating to customer.

According to 15 U.S.C.A. §78k-1 "National Market System for Securities; Securities Information Processors":
"(a)
(C) It is the public interest and appropriate for the protection of investors and maintenance of fair and orderly markets to assure –

(i) Economically efficient execution of securities transactions;

(ii) Fair competition among brokers and dealers, among exchange markets, and between exchange markets and markets other than exchange markets;

(iii) The availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities;

(iv) The practicability of brokers executing investor's orders in the best market; and

(v) An opportunity, consistent with the provisions of clauses (i) and (iv) of this subparagraph for investor's orders to be executed without the participation of a dealer."

It was so difficult for me to get the transaction information about PTUS on March 7 and 8, 2000.

After I discover the trading fraud on March 7, 2000, I called TD Waterhouse many times, asked for 'Time & Sells' for PTUS on March 7 and 8, 2000. However, on March 17, 2000, I only received a letter, which includes 'a list of bid/ask prices of PTUS on March 7 & March 8'.

Even from the bid/ask list, everyone can easily discover this trade fraud. So I decided to call TD Waterhouse to solve this trade fraud issue. The answers from TD Waterhouse Staffs are different. Someone said this is obviously a mistake, and this should be corrected easily. Someone said this is a mistake from market maker, I should complain to SEC. However, some one was not honest. He ignore the fact that there are many times both the bid and the ask for PTUS were above $2.00 (and the bid was less than the ask) on March 7, 2000. **He told me that the reason for my order not filled was because the bid price was above the ask price (What a liar!)**. At the beginning, he refused to send me the Time & Sells list. However, under my insistent demand, he finally agreed to send me the Time & Sells for PTUS on March 7, 2000 and March 8, 2000.

According to 15 U.S.C.A. §78b (Page 33):
"This chapter was designed to provide for regulation of securities exchanges and over-the-counter markets to prevent inequitable and unfair practices in such exchanges and markets.

Overall purpose of this chapter is to insure maintenance of fair and **honest** markets in securities transactions."

Cheating customer is unlawful! TD Waterhouse Investor Service, Inc should educate its employee to be honest in all transactions.

On April 3, 2000, I finally received the Time & Sells for PTUS of March 7 and March 8, 2000. And the fraud was finally proved. However, when I called TD Waterhouse, they told me they couldn't solve this problem for me because this was a mistake from the market maker.

I believe TD Waterhouse Investor Service, Inc should make apology to me, and guarantee do not tell lie again to customer. I, on this count of my complaint, pray for damages (or Penalty to liar) equal to two times of my losses: $10,000 * 2 = $20,000.

6) TD Waterhouse was fraudulently Cheating to SEC. I had to report this trade fraud to SEC because the defendant denying its mistake or trade fraud. However, in the letter the defendant (TD Waterhouse Investor Service, Inc) replying to SEC, it continually tried to cover up its trade fraud. It tried to play the word games in that letter: "It was determined that even though Mr. Shen's limit price was **reached,** there were shares to be executed ahead of his order." The letter used the word "**reached**" trying to hide the facts that there was more than 170 times the trading prices were **exceeded** my limit price! Defendant try to use this type misleading statement to cover up their mistake or trade fraud is not tolerant.

According to 15 U.S.D.A. §78f "National Securities Exchanges" (Page 129):
"(5) The rules of the exchange are designed to prevent fraudulent and manipulative acts and practices, to

promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of free and open market and a national market system, and in general, to protect investors and the public interest"

There is a discovery issue requested to the defendant. Since TD Waterhouse claimed, "there were shares to be executed ahead of his order", TD Waterhouse Investor service, Inc should provide all the transactions, which exceed the $2.00 limit price on PTUS on March 7. The defendant should explain clearly why all the 170 times transactions should be executed before my order. **Any insider trade fraud should be reported.** Just as in 15 U.S.C.A. §78k (a) (1) "It shall be unlawful for any member of a national securities exchange to effect any transaction on such exchange for its own account, the account for an associated person, or an associate person there of exercise investment discretion".

According to 15 U.S.C.A. §78aaa, SEC is in a role of "plenary authority to supervise" all Security Brokers. For the defendant fraudulently Cheating to SEC, a five times of my loss should be charged to the defendant: $10,000 * 5 = $50,000.00.

I, on this count of my complaint, pray for damages (and cheating penalty to defendant) of $50,000.00.

7) Charges for document preparation and other working times spending for this case.

For solving this trade fraud issue, I have to take four days off my normal work up to today. More days are expected to be used for solving these issues.

I, on this count of my complaint, pray for damages equal to a fixed amount of $5,000 for all the works on document preparation.

Therefore, I pray that this honorable court:

(1) Order justice judgment for me in the summary process action.
(2) Find any trade fraud and insider trading of the defendant.
(3) Award damages to me in the amount of $30,000 for the defendant's trade fraud on March 7, 2000 explained in claim count 4.
(4) Award damages to me in the amount of $20,000 for the defendant's cheating to customer explained in claim count 5.
(5) Award damages to me in the amount of $50,000 for the defendant's fraudulently cheating to SEC explained in claim count 6.
(6) Award damages to me in the amount of $5,000 for the document preparation and other damages explained in count 7.
(7) The defendant should write a written apology letter to me for this trade fraud. The defendant should also guarantee that this type of trade fraud should not happen again to me and other customers.

Supplemental Appendix 2
District Judge's Opinion only for reference

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

PLAINTIFF: De Shen	)	
v.	)	Trade Fraud on March 7, 2000.
DEFENDANT: T. D. WATERHOUSE INVESTOR SERVICE, INC.,	)	Civil Action No. 00-11190-WGY

July 12, 2000

DEFENDANT TD WATERHOUSE INVESTOR SERVICES, INC'S MOTION TO COMPEL ARBITRATION AND STAY LITIGATION

July 17, 2000

YOUNG D.J.

Motion allowed.
Case ordered administratively closed.

s/ William G. Young
Chief Judge

Supplemental Appendix 3
District Judge's Opinion only for reference

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

Civil Action
No. 00-11190-WGY

* * * * * * * * * * * * * *

DE SHEN,
Plaintiff,

v.

T. D. WATERHOUSE INVESTOR SERVICE, INC.,
Defendant.

* MOTION HEARING

* * * * * * * * * * * * * *

BEFORE: The Honorable William G. Young,
District Judge

APPEARANCES:

DE SHEN, Pro Se, 11 Summer Avenue, Malden, Massachusetts 02148, on behalf of the Plaintiff

MURPHY, MacKENZIE & SULLIVAN, (By Daniel P. Sullivan, Esq.), One Liberty Square, 4th Floor, Boston, Massachusetts 02109, on behalf of the Defendant

1 Courthouse Way
Boston, Massachusetts

November 14, 2000

THE CLERK: All rise. Court is in session, please be seated.

Calling Civil Action 00-11190, De Shen v. T.D. Waterhouse.

THE COURT: Good afternoon. Mr. De Shen, you represent yourself here?

MR. DE SHEN: Yes.

THE COURT: And?

MR. SULLIVAN: Good afternoon, your Honor. Daniel Sullivan for T.D. Waterhouse.

THE COURT: Now, let me explain why I've called you in here so we can get this case on the right track.

You brought an action, Mr. De Shen, in this Court. They moved to dismiss this action on the ground that your agreement with them has an arbitration clause. You have to arbitrate your dispute with them. I have already ruled that that appears to be so on its face. And on that basis I stayed this action. The action is not going anywhere, in this Court.

Then I got your pleading, your request that I hold a hearing saying that they were not willing to arbitrate this case. They then filed a pleading saying we're perfectly willing to arbitrate but you have to start the arbitration process. Now, let me explain the legal situation. You have to arbitrate this, not adjudicate it in court, because that's what you agree. You can appeal my ruling, you can go to a higher court and say my ruling is wrong, but that's what I think the law requires. The law favors arbitration. Likewise, the law favors those who stick arbitration clauses in their contracts and really in effect prevents you from having the benefits of the financial advice that you would otherwise get unless you arbitrate it.

That's not for me to second-guess. That's what the law is. However, I'm going to hold them strictly to their agreement to arbitrate. So when you do what you have to do under the

arbitration clause, we'll make sure that they do what they have to do under the arbitration clause, and if they don't I will say that they have waived their right to arbitrate and you can come back here and we will handle, I'm not saying you'll win, but we'll handle your issue.

Now, do you understand that?

MR. DE SHEN: I understand what you said.

THE COURT: All right.

MR. DE SHEN: I have questions.

THE COURT: All right. Well, all right, let me --

MR. DE SHEN: Go ahead.

THE COURT: I'll hear you.

MR. DE SHEN: Okay. The first question is, does their cheating SEC, should be arbitrated or should it on the Court?

THE COURT: Arbitrated.

MR. DE SHEN: Okay. Does they, does they cheated customer, should be arbitrated?

THE COURT: Arbitrated.

MR. DE SHEN: Okay. Another is my new motion, my new motion, I said they tried to block my account --

THE COURT: Yes, they say they --

MR. DE SHEN: -- from further online trading.

THE COURT: Right. They say they didn't. But --

MR. DE SHEN: Now I would like to provide the evidence.

THE COURT: No. NO. We're not going to let you provide any evidence. Because the place to have your case resolved is before the arbitrators. So now I'll ask some questions.

Reserving your right --

MR. DE SHEN: Okay.

THE COURT: -- to say that I'm mistaken when I say that you have to arbitrate first, if I say you have to arbitrate first, are you going to arbitrate?

MR. DE SHEN: Yes.

THE COURT: You are. Okay. Take that as a request for arbitration. Satisfied?

MR. SULLIVAN: Yes, your Honor.

THE COURT: Fine. What's the next thing he has to do under the arbitration clause?

MR. SULLIVAN: File a statement of claim.

THE COURT: All right.

MR. SULLIVAN: And submit his signed submission to arbitration.

THE COURT: All right.

MR. SULLIVAN: Two pieces, two pieces of paper.

THE COURT: Well, his complaint will serve as a statement of claim.

MR. DE SHEN: Question?

THE COURT: He can do it anyway he wants. But I'm just trying to make it as simple as possible. He's got a complaint, that's the statement of the claim.

What's the other thing he has to do?

MR. SULLIVAN: Well, he has to submit those documents to the director of arbitration, that's all.

THE COURT: Well, he may. But I'm going to explain that to him. What's the other thing he has to do?

MR. SULLIVAN: He just has to sign the uniform submission to arbitration, that he has to sign, along with the statement of claim.

THE COURT: Have you got that form? Have you got a form?

MR. SULLIVAN: I don't have it with me, no.

THE COURT: All right. Now --

MR. DE SHEN: Who has to pay?

THE COURT: Who has to --

MR. DE SHEN: I already paid for the Court.

THE COURT: Yes, you --

MR. DE SHEN: They answer for the arbitration. So they have to pay for the arbitration.

THE COURT: I'm not clear on that. That's whatever the rules of the American Arbitration Association is. That's one of the reasons why arbitration is not near as good a remedy for you as coming to court is.
Nevertheless, the law says that people who agree to arbitrate must first arbitrate. So whatever the rules of the American Arbitration -- it is the American Arbitration Association, isn't it counsel?

MR. SULLIVAN: Well, actually it's the NASD, your Honor.

THE COURT: It's the NASD arbitrators? All right. You tell him where he has to send it. And then you have to send those papers to the proper place, sir. And they'll give you instructions about how to arbitrate. Do you understand?

MR. DE SHEN: Yes. Apparently my account was blocked by their trade contracts.

THE COURT: Well, you say that.

MR. DE SHEN: Yes.

THE COURT: You have to arbitrate it first. So, that's what you have to do. Now, if you think I've made a mistake you can appeal to the Court of Appeals for the First Circuit. But I'm saying to you, and that's why I've brought you in here so I could explain it, I'm saying to you, you have to initiate this arbitration. And then I expect them to turn their corners very square. Once you've initiated it, they'll respond in the appropriate time and they'll set forth their position, choose the arbitrators, arbitration will go forward. But I'm not telling them they have to pay for something that rules of arbitration don't require them to pay for. I want the contractual arbitration mechanism to work. I'll see that it does. But beyond that I'm not hearing any evidence, I'm not dealing with anything.

MR. DE SHEN: Okay.

THE COURT: All right.

MR. DE SHEN: Arbitration only can solve one problem. But the other three problems they said no, we cannot arbitrate that part.

THE COURT: Then you come back, if the arbitrators say that come back to me.

MR. DE SHEN: I come back to here?

THE COURT: Yes, if the arbitrators say that. All right. That is the order --

MR. DE SHEN: Okay.

THE COURT: -- of the Court. Are we ready on --

MR. DE SHEN: Thank you.

MR. SULLIVAN: Thank you, your Honor.

THE COURT: Yes.

MR. DE SHEN: I believe I come back later.

THE COURT: Well, not until you're clear that they won't arbitrate it.

(Whereupon the matter concluded.)

Supplemental Appendix 4
Plaintiff's Updated Complaint

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

PLAINTIFF:	)	
De Shen	)	
	)	Trade Fraud on
v.	)	March 7, 2000.
	)	
DEFENDANT:	)	Civil Action
T. D. WATERHOUSE INVESTOR	)	No. 00-11190-WGY
SERVICE, INC.,	)	
	)	

Nov 22, 2000

COMPLAINT

Parties

1) The plaintiff is a resident of Framingham, Massachusetts.
2) The defendant TD Waterhouse Investor Service, Inc is a brokerage company; It is located at 100 Wall Street, New York, NY 10005

Jurisdiction

3) This court has jurisdiction over this matter pursuant to 15 U.S.C.A. §78a.
Fairness is the **Basic principle** of stock trading. Everyone should be fairly treated in the stock market regardless what race he/she is; regardless which market the stock is traded; regardless which country the stock is traded.

Facts

4) On March 7, 2000, a trade fraud is happened. On March 7, from 10:25:24 to 13:12:48, there are more than 170 times PTUS was traded at the prices beyond my order's limit price, however my order was not filled. [NOTE: I have an open order to sell 5000 shares PTUS stock at price of $2.00. The order number is XOB6072 (valid from Feb. 24 to April 23, 2000). The account number is 46334534. The

brokerage company is TD Waterhouse investor service, Inc.]

According to 15 U.S.C.A. §78a. "Securities Exchange Act of 1934", according to 15 U.S.C.A. §78b Necessity for regulation: "… transactions in Securities as commonly conducted upon Securities exchanges and over-the-counter markets are affected with a national public interest which makes it necessary to provide for regulation and control of such transactions and of practices and matters related thereto, including transactions by officers, …, and to impose requirements necessary to make such regulation and control reasonably complete and effective, in order to protect interstate commerce, …, and **to insure the maintenance of fair and honest markets in such transaction**"

The fact mentioned in this count (4) is **unfair**. If you look at the time and sell list of PTUS on March 7, you will see that there are more than three hours, both BID and ASK prices are beyond $2.00 (NOT equal to, and ASK prices is greater than BID price). More than 170 transactions traded above $2.00 during this period.

TD Waterhouse staff told me that OTCBB is not regulated. However, according to 15 U.S.C.A. §78b, (Page 29) "Within preamble to this section declaring that security transactions as commonly conducted upon 'securities exchanges' and 'over-the-counter markets' are affected with national public interest, **the quoted words mean any security-transfer business wherein the business of marketing securities is conducted**." Thus, the unfair transaction in OTCBB shall not be tolerated also.

I believe I have the right to ask the defendant to commit the mistake or inside trade fraud. I, on this count of my complaint, pray for damages equal to three times of my losses: $2 * 5000 * 3 = $30,000.00.

5) TD Waterhouse was Cheating to customer.

According to 15 U.S.C.A. §78k-1 "National Market System for Securities; Securities Information Processors":
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(C) It is the public interest and appropriate for the protection of investors and maintenance of fair and orderly markets to assure –

(i) Economically efficient execution of securities transactions;

(ii) Fair competition among brokers and dealers, among exchange markets, and between exchange markets and markets other than exchange markets;

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(iv) The practicability of brokers executing investor's orders in the best market; and

(v) An opportunity, consistent with the provisions of clauses (i) and (iv) of this subparagraph for investor's orders to be executed without the participation of a dealer."

It was so difficult for me to get the transaction information about PTUS on March 7 and 8, 2000.

After I discover the trading fraud on March 7, 2000, I called TD Waterhouse many times, asked for 'Time & Sells' for PTUS on March 7 and 8, 2000. However, on March 17, 2000, I only received a letter, which includes 'a list of bid/ask prices of PTUS on March 7 & March 8'.

Even from the bid/ask list, everyone can easily discover this trade fraud. So I decided to call TD Waterhouse to solve this trade fraud issue. The answers from TD Waterhouse Staffs are different. Someone said this is obviously a mistake, and this should be corrected easily. Someone said this is a mistake from market maker, I should complain to SEC. However, some one was not honest. He ignore the fact that there are many times both the bid and the ask for PTUS were above $2.00 (and the bid was less than the ask) on March 7, 2000. **He told me that the reason for my order not filled was because the bid price was above the ask price (What a liar!)**. At the beginning, he refused to send me the Time & Sells list. However, under my insistent demand, he finally agreed to send me the Time & Sells for PTUS on March 7, 2000 and March 8, 2000.

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"This chapter was designed to provide for regulation of securities exchanges and over-the-counter markets to prevent inequitable and unfair practices in such exchanges and markets.

Overall purpose of this chapter is to insure maintenance of fair and **honest** markets in securities transactions."

Cheating customer is unlawful! TD Waterhouse Investor Service, Inc should educate its employee to be honest in all transactions.

On April 3, 2000, I finally received the Time & Sells for PTUS of March 7 and March 8, 2000. And the fraud was finally proved. However, when I called TD Waterhouse, they told me they couldn't solve this problem for me because this was a mistake from the market maker.

I believe TD Waterhouse Investor Service, Inc should make apology to me, and guarantee do not tell lie again to customer. I, on this count of my complaint, pray for damages (or Penalty to liar) equal to two times of my losses: $10,000 * 2 = $20,000.

6) TD Waterhouse was fraudulently Cheating to SEC. I had to report this trade fraud to SEC because the defendant denying its mistake or trade fraud. However, in the letter the defendant (TD Waterhouse Investor Service, Inc) replying to SEC, it continually tried to cover up its trade fraud. It tried to play the word games in that letter: "It was determined that even though Mr. Shen's limit price was **reached,** there were shares to be executed ahead of his order." The letter used the word "**reached"** trying to hide the facts that there was more than 170 times the trading prices were **exceeded** my limit price! Defendant try to use this type misleading statement to cover up their mistake or trade fraud is not tolerant.

According to 15 U.S.D.A. §78f "National Securities Exchanges" (Page 129):
"(5) The rules of the exchange are designed to prevent fraudulent and manipulative acts and practices, to

promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of free and open market and a national market system, and in general, to protect investors and the public interest"

There is a discovery issue requested to the defendant. Since TD Waterhouse claimed, "there were shares to be executed ahead of his order", TD Waterhouse Investor service, Inc should provide all the transactions, which exceed the $2.00 limit price on PTUS on March 7. The defendant should explain clearly why all the 170 times transactions should be executed before my order. **Any insider trade fraud should be reported.** Just as in 15 U.S.C.A. §78k (a) (1) "It shall be unlawful for any member of a national securities exchange to effect any transaction on such exchange for its own account, the account for an associated person, or an associate person there of exercise investment discretion".

According to 15 U.S.C.A. §78aaa, SEC is in a role of "plenary authority to supervise" all Security Brokers. For the defendant fraudulently Cheating to SEC, a five times of my loss should be charged to the defendant: $10,000 * 5 = $50,000.00.

I, on this count of my complaint, pray for damages (and cheating penalty to defendant) of $50,000.00.

7) Play word game to insult customers is the defendant's innovation

First, the plaintiff needs to ask the defendant a simple question:
If our Honorable Arbitrator made a stock purchase limit order, and the stock market price is exceeded the limit order price, do you want to say:
(a) TD Waterhouse has determined that Mr. Arbitrator is due an execution.
Or do you want to say:
(b) TD Waterhouse has determined that Mr. Arbitrator's stock order is due an execution.
Anyone with a little bit of knowledge on logic and reasoning will understand that statement (a) is an insulting statement.

Now, if you read the Mr. Alan Wagner's letter to SEC (On May 3, 2000), you will see that the defendant is just use the same word game to insult its customer.

I believe TD Waterhouse Investor Service, Inc should make apology to me, and guarantee do not insult any customer again. I, on this count of my complaint, pray for damages (or Penalty to liar) equal to two times of my losses: $10,000 * 2 = $20,000.

8) The defendant **blocked my accounts** for further on-line trade.

After I file a complaint to the court, the defendant blocked my accounts for further on-line trade. I have to sign three more new contracts for login my on-line account. However, those contracts include some sentences, which might prevent me to present valid data evidence to the honorable Judge in the court.

The defendant's Nov. 7's memorandum alleges that "Defendant Has Not Blocked Plaintiff's Online

Accounts or Prevented Plaintiff from Presenting Evidence to the court". However, the Exhibit A appended to defendant's memorandum actually gives the defendant itself a big slap on its face.

Let's read the Exhibit A here:

(a) On page 2 of 13, (First Agreement).

- 5. PERMITTED USE – Subscriber shall not furnish Market Data to **any other person or entity** and shall use Market Data only for its individual use in its business.

Anyone with a little bit of knowledge on logic and reasoning will understand that our Honorable Judges are all included in defendant's "any other person or entity".

(b) On page 4 of 13, (Second Agreement).

- 2. You shall receive the Service and the Options Information included therein solely for your own use, and you shall not retransmit or otherwise furnish the Options Information to **any other person**.

Anyone with a little bit of knowledge on logic and reasoning will understand that our Honorable Judges are all included in defendant's "any other person".

(c) On page 7 of 13, (Third Agreement).

- In the left Side "I Agree/I Disagree" Box:

I will not re-disseminate or give **third party** access to the information:

I Agree I Disagree

- 3. … Subscriber may not sell, lease, furnish or otherwise permit or provide access the information to **any other Person** or to **any other office**, or place.

Anyone with a little bit of knowledge on logic and reasoning will understand that our Honorable Judges are all included in defendant's "third party" and/or "any other Person **or to** any other office".

Some questions, which are very 'difficult' to understand, are:

a. If those three documents are really coming from "NYSE", "AMEX", "OPRA" or "NASD", then why only the defendant forces customers to sign on those agreements? As my knowledge, all other firms do not have such requirement.
b. Why the defendant forces customers to sign on those agreements just right after the defendant knew the Plaintiff submitted the "Time and Sell" Market Data to our **Honorable Judges,** which is a strong evident that proved the defendant did something wrong.

I believe I have the right to ask the defendant to commit the mistake on preventing customers to present valid data to the Honorable Judge. I, on this

count of my complaint, pray for damages equal to three times of my losses: $2 * 5000 * 3 = $30,000.00.

9) Charges for document preparation and other working times spending for this case.

For solving this trade fraud issue, I have to take four days off my normal work up to today. More days are expected to be used for solving these issues.

I, on this count of my complaint, pray for damages equal to a fixed amount of $5,000 for all the works on document preparation.

Therefore, I pray that this honorable court:

(1) Order justice judgment for the plaintiff in the summary process action.
(2) Find any trade fraud and insider trading of the defendant.
(3) Award damages to the plaintiff in the amount of $30,000 for the defendant's trade fraud on March 7, 2000 explained in claim count 4.
(4) Award damages to the plaintiff in the amount of $20,000 for the defendant's cheating to customer explained in claim count 5.
(5) Award damages to the plaintiff in the amount of $50,000 for the defendant's fraudulently cheating to SEC explained in claim count 6.
(6) Award damages to the plaintiff in the amount of $20,000 for the defendant's insulting to customers explained in claim count 7.

(7) Award damages to the plaintiff in the amount of $30,000 for the defendant's preventing customers to present valid data to the Honorable Judge explained in claim count 8.
(8) Award damages to the plaintiff in the amount of $5,000 for the document preparation and other damages explained in count 9.
(9) The defendant should write a written apology letter to the plaintiff for this trade fraud. The defendant should also guarantee that this type of trade fraud should not happen again to the plaintiff and other customers.

Supplemental Appendix 5
Motion to re-open this case (before arbitration, Feb 3, 2001)

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

PLAINTIFF: De Shen	)	
	)	Trade Fraud on
v.	)	March 7, 2000.
DEFENDANT: T. D. WATERHOUSE INVESTOR SERVICE, INC.,	)	Civil Action No. 00-11190-WGY

Feb. 3, 2001

MOTION

Plaintiff strongly request to re-open this case

Parties

1) The plaintiff is a new US citizen, a resident of Malden, Massachusetts.
2) The defendant TD Waterhouse Investor Service, Inc is a brokerage company; It is located at 100 Wall Street, New York, NY 10005

Jurisdiction

Forgery should not be tolerant.
Race Discrimination should not be tolerant.
Bill of Right should be applied.
Conflict interest should be avoided.

Facts

3) The plaintiff submitted a motion on Nov. 23, 2000. In that motion, the plaintiff had proved that the defendant was indeed trying to prevent its customer to submit valid data to our honorable Judges. In that motion, the plaintiff discovered that there is a conflict interest if this case goes through arbitration. Until now, the plaintiff has not received any court decision on this motion.

4) After carefully reading Mr. Alan Wagner's letter to SEC, the plaintiff discovered that Mr. Wagner made a forgery statement. Mr. Wagner wrote: "On February

24, 2000, **at 4:17am EST**, Mr. Shen placed a limit order (good until April 23, 2000) to sell 5000 shares of Peritus Software Services Inc. (PTUS) at $2 via our on-line trading system, webBroker". The plaintiff indeed made a limit order (good until April 23, 2000) to sell 5000 shares of Peritus Software Services Inc. (PTUS) at $2. However, the time was in the evening instead of **at 4:17am EST**. The question is why Mr. Wagner wants to change the time? What is his purpose and motivation? This type of forgery should not be tolerant.

5) The plaintiff wondering why Mr. Wagner wrote that letter to insult customer and make forgery statement. Whether Mr. Wagner was trying to practice to discriminate Asia immigrations and Asia Americans? Any race discrimination to Asia Immigrations and Asia Americans should not be tolerant.

6) As a new USA citizen, the plaintiff learned a lot about American history and the Constitution. The Bill of Right is one of the most important parts of the Constitution. Now is the time to see whether this great Constitution is really applied in this great country. According to the Bill of Right. The plaintiff believes that the plaintiff has the right to speak for the justice in this court on this case. Especially for the reason described in the next count, the plaintiff strongly request that this case should be reopened in this court and to be solved in this court.

7) Conflict Interest should be avoided

   On the Nov 14's conference, our Honorable Judge Young suggest that the plaintiff should go through Arbitration first. If the problems cannot be solved or

the problems were not solved properly, then our Honorable Judge will accept to handle this case with justice in this court. The plaintiff agreed to follow our Honorable Judge's suggestion. The plaintiff rewrote a Complaint for Arbitration (See Attached). **However, after rewriting the Complaint, the Plaintiff discovered that there is a conflict interest if this case goes through arbitration.** Mr. Sullivan informed me that I might bring arbitration before either the NASD or NYSE. The count 8 in the new Complaint document might be closely related to NASD and NYSE. With my understanding, NASD or NYSE cannot arbitrate itself since there is a conflict interest. Hence, the plaintiff would like to present this point to our Honorable Judge. After considering avoiding the conflict interest, the plaintiff strongly requests this case to be re-opened and to be handled directly through this court.

MOTION CONCLUSION

8) The defendant start from trade mistake or trade fraud, then it cheat customer, play word game to cheat SEC, made forgery statement and insult customer, then it try to prevent its customers present more valid data evidences to the Honorable Judge in the court in the future. It is the time to start to make a complete investigation on the defendant's illegal actions.

9) **I, hereby, pray to the Honorable Judge in this Court, in order to avoid the conflict interest, this case should be reopened and the investigation about the defendant's illegal actions in this case should be handled by this Honorable Court. I sincerely pray to the Honorable Judge to provide**

justice judgments in this court on this case according to the Bill Of Right.

Sincerely Yours,

De Shen
1028 Main St
Malden, MA 02148

Supplemental Appendix 6
District Judge's Opinion to be reviewed (1)

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

PLAINTIFF: De Shen	)	
v.	)	Trade Fraud on March 7, 2000.
DEFENDANT: T. D. WATERHOUSE INVESTOR SERVICE, INC.,	)	Civil Action No. 00-11190-WGY

Feb 3, 2001

July 2, 2001

YOUNG D.J.

MOTION DENIED.
To reopen, this case must first proceed through arbitration.

s/ William G. Young
U.S. District Judge

Supplemental Appendix 7
Arbitration Statement of Claim

PLAINTIFF:	)	
De Shen	)	
	)	
	)	Trade Fraud on
VS.	)	March 7, 2000.
	)	
	)	NASD-DR Arbitration
	)	No. 01-03697
DEFENDANT:	)	

TD Waterhouse Investor Service, Inc)

July 26, 2001

COMPLAINT

Parties

1) The plaintiff De Shen is a resident of Malden, Massachusetts.
2) The defendant TD Waterhouse Investor Service, Inc is a brokerage company; It is located at 100 Wall Street, New York, NY 10005

Jurisdiction

3) This court has jurisdiction over this matter pursuant to 15 U.S.C.A. §78a.

Fairness is the **Basic principle** of stock trading. Everyone should be fairly treated in the stock market regardless what race he/she is; regardless which market the stock is traded; regardless which country the stock is traded.

Facts

4) On March 7, 2000, a trade fraud was happened. On March 7, from 10:25:24 to 13:12:48, there were more than 170 times PTUS was traded at the prices beyond my order's limit price, however my order was not filled. [NOTE: I have an open order to sell 5000 shares PTUS stock at price of $2.00. The order number is XOB6072 (valid from Feb. 24 to April 23, 2000). The account number is 46334534. The

brokerage company is TD Waterhouse investor service, Inc.]

According to 15 U.S.C.A. §78a. "Securities Exchange Act of 1934", according to 15 U.S.C.A. §78b Necessity for regulation: "… transactions in Securities as commonly conducted upon Securities exchanges and over-the-counter markets are affected with a national public interest which makes it necessary to provide for regulation and control of such transactions and of practices and matters related thereto, including transactions by officers, …, and to impose requirements necessary to make such regulation and control reasonably complete and effective, in order to protect interstate commerce, …, and **to insure the maintenance of fair and honest markets in such transaction**"

The fact mentioned in this count (4) is **unfair**. If you look at the time and sell list of PTUS on March 7, you will see that there are more than three hours, both BID and ASK prices are beyond $2.00 (NOT equal to, and ASK prices is greater than BID price). More than 170 transactions traded above $2.00 during this period.

TD Waterhouse staff told me that OTCBB is not regulated. However, according to 15 U.S.C.A. §78b, (Page 29) "Within preamble to this section declaring that security transactions as commonly conducted upon 'securities exchanges' and 'over-the-counter markets' are affected with national public interest, **the quoted words mean any security-transfer business wherein the business of marketing securities is conducted**." Thus, the unfair transaction in OTCBB shall not be tolerated also.

I believe I have the right to ask the defendant to commit the mistake or inside trade fraud. I, on this count of my complaint, pray for damages equal to three times of my losses: $2 * 5000 * 3 = $30,000.00.

5) TD Waterhouse was Cheating to customer.

According to 15 U.S.C.A. §78k-1 "National Market System for Securities; Securities Information Processors":
"(a)
(C) It is the public interest and appropriate for the protection of investors and maintenance of fair and orderly markets to assure –

(i) Economically efficient execution of securities transactions;
(ii) Fair competition among brokers and dealers, among exchange markets, and between exchange markets and markets other than exchange markets;
(iii) The availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities;
(iv) The practicability of brokers executing investor's orders in the best market; and
(v) An opportunity, consistent with the provisions of clauses (i) and (iv) of this subparagraph for investor's orders to be executed without the participation of a dealer."

It was so difficult for me to get the transaction information about PTUS on March 7 and 8, 2000.

After I discover the trading fraud on March 7, 2000, I called TD Waterhouse many times, asked for 'Time & Sells' for PTUS on March 7 and 8, 2000. However, on March 17, 2000, I only received a letter, which includes 'a list of bid/ask prices of PTUS on March 7 & March 8'.

Even from the bid/ask list, everyone can easily discover this trade fraud. So I decided to call TD Waterhouse to solve this trade fraud issue. The answers from TD Waterhouse Staffs are different. Someone said this is obviously a mistake, and this should be corrected easily. Someone said this is a mistake from market maker, I should complain to SEC. However, some one was not honest. He ignore the fact that there are many times both the bid and the ask for PTUS were above $2.00 (and the bid was less than the ask) on March 7, 2000. **He told me that the reason for my order not filled was because the bid price was above the ask price (What a liar!)**. At the beginning, he refused to send me the Time & Sells list. However, under my insistent demand, he finally agreed to send me the Time & Sells for PTUS on March 7, 2000 and March 8, 2000.

According to 15 U.S.C.A. §78b (Page 33):
"This chapter was designed to provide for regulation of securities exchanges and over-the-counter markets to prevent inequitable and unfair practices in such exchanges and markets.

Overall purpose of this chapter is to insure maintenance of fair and **honest** markets in securities transactions."

Cheating customer is unlawful! TD Waterhouse Investor Service, Inc should educate its employee to be honest in all transactions.

On April 3, 2000, I finally received the Time & Sells for PTUS of March 7 and March 8, 2000. And the fraud was finally proved. However, when I called TD Waterhouse, they told me they couldn't solve this problem for me because this was a mistake from the market maker.

I believe TD Waterhouse Investor Service, Inc should make apology to me, and guarantee do not tell lie again to customer. I, on this count of my complaint, pray for damages (or Penalty to liar) equal to two times of my losses: $10,000 * 2 = $20,000.

6) TD Waterhouse was fraudulently Cheating to SEC. I had to report this trade fraud to SEC because the defendant denying its mistake or trade fraud. However, in the letter the defendant (TD Waterhouse Investor Service, Inc) replying to SEC, it continually tried to cover up its trade fraud. It tried to play the word games in that letter: "It was determined that even though Mr. Shen's limit price was **reached,** there were shares to be executed ahead of his order." The letter used the word "**reached**" trying to hide the facts that there were more than 170 times the trading prices were **exceeded** my limit price! Defendant try to use this type misleading statement to cover up their mistake or trade fraud is not tolerant.

According to 15 U.S.D.A. §78f "National Securities Exchanges" (Page 129):
"(5) The rules of the exchange are designed to prevent fraudulent and manipulative acts and practices, to

promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of free and open market and a national market system, and in general, to protect investors and the public interest"

There is a discovery issue requested to the defendant. Since TD Waterhouse claimed, "there were shares to be executed ahead of his order", TD Waterhouse Investor service, Inc should provide all the transactions, which exceed the $2.00 limit price on PTUS on March 7. The defendant should explain clearly why all the 170 times transactions should be executed before my order. **Any insider trade fraud should be reported.** Just as in 15 U.S.C.A. §78k (a) (1) "It shall be unlawful for any member of a national securities exchange to effect any transaction on such exchange for its own account, the account for an associated person, or an associate person there of exercise investment discretion".

According to 15 U.S.C.A. §78aaa, SEC is in a role of "plenary authority to supervise" all Security Brokers. For the defendant fraudulently Cheating to SEC, a five times of my loss should be charged to the defendant: $10,000 * 5 = $50,000.00.

I, on this count of my complaint, pray for damages (and cheating penalty to defendant) of $50,000.00.

7) Play word game to insult customers is the defendant's innovation

First, the plaintiff needs to ask the defendant a simple question:
If our Honorable Arbitrator made a stock purchase limit order, and the stock market price is exceeded the limit order price, do you want to say:
(c) TD Waterhouse has determined that Mr. Arbitrator is due an execution.
Or do you want to say:
(d) TD Waterhouse has determined that Mr. Arbitrator's stock order is due an execution.
Anyone with a little bit of knowledge on logic and reasoning will understand that statement (a) is an insulting statement.

Now, if you read the Mr. Alan Wagner's letter to SEC (On May 3, 2000), you will see that the defendant is just use the same word game to insult its customer.

I believe TD Waterhouse Investor Service, Inc should make apology to me, and guarantee do not insult any customer again. I, on this count of my complaint, pray for damages (or Penalty to insulter) equal to two times of my losses: $10,000 * 2 = $20,000.

8) The defendant **blocked my accounts** for further on-line trade.

After I file a complaint to the court, the defendant blocked my accounts for further on-line trade. I have to sign three more new contracts for login my on-line account. However, those contracts include some sentences, which might prevent me to present valid data evidence to the honorable Judge in the court.

The defendant's Nov. 7's memorandum alleges that "Defendant Has Not Blocked Plaintiff's Online

Accounts or Prevented Plaintiff from Presenting Evidence to the court". However, the Exhibit A appended to defendant's memorandum actually gives the defendant itself a big slap on its face.

Let's read the Exhibit A here:

(i) On page 2 of 13, (First Agreement).
   a. 5. PERMITTED USE – Subscriber shall not furnish Market Data to **any other person or entity** and shall use Market Data only for its individual use in its business.

Anyone with a little bit of knowledge on logic and reasoning will understand that our Honorable Judges are all included in defendant's "any other person or entity".

(j) On page 4 of 13, (Second Agreement).
   a. 2. You shall receive the Service and the Options Information included therein solely for your own use, and you shall not retransmit or otherwise furnish the Options Information to **any other person**.

Anyone with a little bit of knowledge on logic and reasoning will understand that our Honorable Judges are all included in defendant's "any other person".

(k) On page 7 of 13, (Third Agreement).

a. In the left Side "I Agree/I Disagree" Box:

I will not re-disseminate or give **third party** access to the information:

I Agree I Disagree

b. 3. … Subscriber may not sell, lease, furnish or otherwise permit or provide access the information to **any other Person** or to **any other office**, or place.

Anyone with a little bit of knowledge on logic and reasoning will understand that our Honorable Judges are all included in defendant's "third party" and/or "any other Person **or to** any other office".

Some questions, which are very 'difficult' to understand, are:

a. If those three documents are really coming from "NYSE", "AMEX", "OPRA" or "NASD", then why only the defendant forces customers to sign on those agreements? As my knowledge, all other firms do not have such requirement.
b. Why the defendant forces customers to sign on those agreements just right after the defendant knew the Plaintiff submitted the "Time and Sell" Market Data to our **Honorable Judges,** which is a strong evident that proved the defendant did something wrong.

I believe I have the right to ask the defendant to commit the mistake on preventing customers to present valid data to the Honorable Judge. I, on this count of my complaint, pray for damages (or Penalty to the intent of preventing customers to present valid data to the Honorable Judge) equal to three times of my losses: $2 * 5000 * 3 = $30,000.00.

9) Charges for document preparation and other working times spending for this case.

For solving this trade fraud issue, I have to take four days off my normal work up to today. More days are expected to be used for solving these issues.

I, on this count of my complaint, pray for damages equal to a fixed amount of $5,000 for all the works on document preparation.

Therefore, I pray that this honorable court:

(1) Order justice judgment for the plaintiff in the summary process action.
(2) Find any trade fraud and insider trading of the defendant.
(3) Award damages to the plaintiff in the amount of $30,000 for the defendant's trade fraud on March 7, 2000 explained in claim count 4.
(4) Award damages to the plaintiff in the amount of $20,000 for the defendant's cheating to customer explained in claim count 5.

(5) Award damages to the plaintiff in the amount of $50,000 for the defendant's fraudulently cheating to SEC explained in claim count 6.
(6) Award damages to the plaintiff in the amount of $20,000 for the defendant's insulting to customers explained in claim count 7.
(7) Award damages to the plaintiff in the amount of $30,000 for the defendant's preventing customers to present valid data to the Honorable Judge explained in claim count 8.
(8) Award damages to the plaintiff in the amount of $5,000 for the document preparation and other damages explained in count 9.
(9) The defendant should write a written apology letter to the plaintiff for this trade fraud. The defendant should also guarantee that this type of trade fraud should not happen again to the plaintiff and other customers.

Supplemental Appendix 8

Arbitration Causal Challenge For the Fraud of Violating the Rules of Arbitration Panel Selection

PLAINTIFF:	)	
De Shen	)	
	)	
	)	Trade Fraud on
VS.	)	March 7, 2000.
	)	
	)	NASD-DR Arbitration
	)	No. 01-03697
DEFENDANT:	)	

TD Waterhouse Investor Service, Inc)

March 10, 2002

Causal Challenge

The Critical issue is Timing

In Ms. Kelly Davis' letter of December 4, 2001, Kelly used bold font wrote the following statement:
If we do not have your list by the twentieth day, you will be deemed to have accepted all arbitrators on the list.

In another paragraph, Ms. Kelly wrote:
Please identify the arbitrators whom you have struck from the list and the remaining arbitrators' rankings, and **sign and return the list to our office so that we receive it by December 24, 2001.**

In the following paragraph, Ms. Kelly wrote:
After twenty days have past, we will consolidate the parties' lists and inform you who is on the arbitration panel.

The Plaintiff (Claimant) Mail the arbitrator list on Dec. 15, 2001 by Certified mail. The tracing number is 7001 2510 0008 0220 8608. The Plaintiff selected the following arbitrators:

(1) Mr. David E. Marsan (A00926)
(2) Mr. Henry L.P. Schmelzer (A03682)
(3) Mr. Thomas H. Tucker (A03993)
(4) Mr. Richard D. Jordan (A09291)

All other arbitrators were struck out from the given list.

On Dec. 26, 2001, the Plaintiff called Ms. Kelly Davis, asked her whether the Defendant (Respondent) had submit their arbitrator list on time. Ms. Kelly informed me that NASD had not received the

Defendant (Respondent)'s list yet. And she told me NASD would process on the arbitration panel list anyway without waiting for the Defendant (Respondent)'s list.

If Ms. Kelly Davis' statement is true, then, all (or most) the arbitrators should come from the Plaintiff's arbitrator list. However, when the Plaintiff received the finalized arbitrator list of the Panel, the Plaintiff found that only Mr. Richard D. Jordan (4) was selected as the arbitrator of the Panel.

The Plaintiff called Ms. Suzanne Green to clarify what happened. Ms. Suzanne Green told me that the Defendant submitted their arbitrator list on Dec. 24, 2001. This is entirely different what the Plaintiff heard from Ms. Kelly Davis. One person's statement should be incorrect (Either Ms. Kelly Davis or Ms. Suzanne Green). Hence the Plaintiff wrote a letter to Ms. Suzanne Green, asked the following Simple Questions:

I was heard that the defendant did not delivered their list of arbitrators even by Dec 26, 2001. Hence, I would like to ask the following questions for fully understand how this panel list was decided:

(i) By what type of the mail that the defendant delivered their list of arbitrators?
   (a) Certified Mail;
   (b) Fed. Express.

(ii) What is the Postmark date on the defendant's mail for delivering their list of Arbitrators? Can I get a copy of the Envelop of the defendant's mail with the Postmark date?

(iii) By which date that your office received the defendant's mail regarding to the list of Arbitrators.

(iv) How the panel list was finally decided in detail?

Two weeks was passed. Ms. Suzanne Green is still unable to answer the above simple questions. **A big question mark is raised on whether Ms. Suzanne Green is HONEST OR NOT on this case. If Ms. Suzanne Green was cheating or lying on the Arbitration Job, she should not be qualified as an Arbitration Administrator on this case.**

(1) According to **paragraphs (c)(4)(B), "the parties shall have the right to object to the arbitrator as provided in paragraph (d)(1)."** Hence, Plaintiff has the right to object the selected arbitrator Mr. Maurice J. Skoler. The reasons are list below.

(2) No person or organization can completely prevent from making some mistakes. The critical issue is how should the person or organization to handle the mistakes if it happened. The good and proper attitude is committing the mistake as soon as possible, and makes some compensation to the person who suffered from the mistake. The bad and improper attitude is that although knowing a mistake is happened, but continually hiding, cheating and denying the mistake. The penalties should be applied to the person or organization, which took the second type of attitude.

The Defendant (the Respondent) in this case is just the organization, which took the second type of attitude. **It started from denying its mistake on "Failure to Execute" on the Plaintiff's stock trading order,** then it cheated customer, then it cheated SEC and insulted the customer, then it hired lawyer to lie in the Statement of Answer.

To qualify arbitrating this case, the arbitrator should at least have the skill of arbitrating on "Executions-Failure to Execute". Since Mr. Maurice J. Skoler does not have the skill of "Executions-Failure to Execute", he is not qualified on arbitrating this case.

(3) Mr. Maurice J. Skoler does not have experience on arbitrating stock trading issues in the last three years.

(4) The Plaintiff provide the following arbitrator list for replacing Mr. Maurice J. Skoler:

(i) Mr. David E. Marsan (A00926)
(ii) Mr. Henry L.P. Schmelzer (A03682)
(iii) Mr. Thomas H. Tucker (A03993)

All the arbitrators list above have the skill of **"Executions-Failure to Execute".**

Regards,

Plaintiff: De Shen

Supplemental Appendix 9
Ms. Elizabeth R. Clancy's Letter

NASD Dispute Resolution, Inc
125 Broad Street, 36th Fl.
New York, NY 11566
646-835-5753
Fax: 212-509-9041

ELIZABETH R. CLANCY
Associate Vice President and Regional Director

March 26, 2002

Delvin DeShen
11 Summer Avenue
Malden, MA 02148

RE: NASD-DR Arbitration Number 01-03697
De Shen and Bai Sheng Zhou vs.
T.D. Waterhouse Investor Services, Inc

Dear Mr. DeShen:

I am responding to your March 7, 2002 e-mails to Linda D. Feinberg, Barbara Brady, and me.

I reviewed all of the issues you raised and will address each of them. I apologize if there has been some misunderstanding between you and Kelly Davis and Suzanne Green.

On December 4, 2001 we notified you that your case was ready for the appointment of arbitrators under our Neutral List Selection System (NLSS). Rule 10308 of the Code of Arbitration Procedure (the "Code") provides that NASD Dispute Resolution (NASD DR) gives each party a list of

arbitrators. The parties must strike through or cross out, and rank the arbitrators on the list and return the list to us within twenty days after the lists are sent to the parties. A party may strike one or more arbitrators for any reason. If a party's list is not received on time, the party is deemed to have accepted all arbitrators on the list. Pursuant to Rule 10308(c) (4)(B) of the Code, the Director has the authority in certain circumstances to appoint an arbitrator not on the list to fill a Panel. I enclose for your review a copy of the letter that was sent to you on December 4, 2001, outlining our paneling procedures, pursuant to Rule 10308 of the Code, and NLSS.

Your arbitrator ranking form was sent to us by US Mail and received in our office on December 20, 2001. Respondent's ranking form was sent to us by facsimile and received in our office on December 11, 2001, with an original copy arriving on December 12, 2001. I enclose for your review a copy of the date stamped cover letter that accompanied Respondent's ranking form. Both parties responses were received before the deadline of December 24, 2001. We used both parties' lists to create a consolidated list. The Director used his authority to extend the list to complete the panel because all of the industry arbitrators were struck by you or the Respondent.

You said you spoke with Ms. Davis on December 26, 2001, and she informed you that NASD DR had not yet received the Respondent 's ranking form. Ms. Davis was not in the Office on December 26, 2001. You called Ms. Green to discuss the composition of the Panel, and you state that Ms. Green told you that the Respondent submitted their ranking form on December 24, 2001. The misunderstanding may have arisen because Ms. Green told you that Respondents ranking form was due on or before December 24, 2001 and was submitted on time.

Your February 24, 2002 e-mail to Ms. Green asserted a causal challenge in an attached file, and asked a number of questions about the composition of the panel. Ms. Green advised you of NASD DR policy, requiring all correspondence between a party and us be provided to all parties. Ms. Green responded to your causal challenge on February 28, 2002, before Respondent's receipt of the challenge, because the challenge addressed the administrative issue of receipt of Respondent's ranking form. As stated earlier, the arbitrator ranking form was submitted by facsimile, and then sent by overnight courier and received by us on December 11, and 12, 2001 respectfully.

I can assure you that Ms. Davis and Ms. Green are honest and will administer your case in a fair and neutral manner. It is unfortunate that there was a misunderstanding about the ranking forms and their return dates. I am hopeful that I answered your concerns.

Very truly yours,

s/ Elizabeth R. Clancy
Elizabeth R. Clancy

CC: Linda D. Feinberg
Barbara Brady
Patricia Williams
Pete S. Michaels

Supplemental Appendix 10
Arbitration Opening Statement

I am clearly remember a dental treatment related picture with the following statement:
"It's tiny now. Don't let it grow up to be Oral Cancel!"

I would like to contribute this aphorism to the defendant.

No person or organization can completely prevent from making some mistakes. The critical issue is how should the person or organization to handle the mistakes if it happened. The good and proper attitude is committing the mistake as soon as possible, and makes some compensation to the person who suffered from the mistake. The bad and improper attitude is that although knowing a mistake is happened, but continually hiding, cheating and denying the mistake. The penalties should be applied to the person or organization, which took the second type of attitude. The more cheating and denying, then the more penalties.

This case started on the defendant's Failure to Execute customer's order on March 7, 2000. Then the defendant continually denied committing its obvious mistake (or trade fraud). Then the defendant cheated SEC and insulted customer. Then the defendant tried to prevent customer submitting valuable data to the honorable judges. Then the defendant tried to divert the Arbitration Panel's focus and attention on the critical issue by requesting huge amount irrelevant documents. Then the defendant failed to provide case related critical information to the Panel and the Plaintiff. Then the defendant tried to delay the arbitration with unreasonable reasons at the 'last minute' before the arbitration.

The plaintiff has advised the defendant many times that the defendant should commit its mistake ASAP. However, the defendant ignored all the plaintiff's advices. In this opening statement, I would like to advice the defendant again: "Wake up! It is still not too late to commit your mistake before the panel making the final decision. Put off your mistakes from your shoulder, then you can march faster towards the bright future!"

The plaintiff strongly believe that there should be a big difference whether the Defendant commit its mistakes before or after panel's decision.

Yes, this case is quite simple. However, by this case, it can indeed test many principles in this great country.

The plaintiff wishes, hopes and expects that the justice will be fulfilled on this case without any race prejudice or other bias.

Supplemental Appendix 11
Unfair Arbitration Award (Abstract)

Award
NASD Dispute Resolution, Inc

In the Matter of the Arbitration Between:
De Shen and BaiSheng Zhou (Claimants)
vs.
T.D. Waterhouse Investor Services, Inc (Respondent)

Case Number: 01-3697

.....

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' claims are hereby dismissed in their entirety.
2. All other requests for relief are denied.

FEES

.....

Supplemental Appendix 12
Emails Regarding to the Fraud of Edited Arbitration-Hearing Tape

From: Delvin Shen
[mailto:delvin.shen@verizon.net]
Sent: Monday, August 26, 2002 9:31 PM
To: Green, Suzanne
Cc: Delvin Shen; De Shen
Subject: RE: Contents in the arbitration hearing are missed in the tapes
w hitch you send to me.

Delvin D. Shen
11 Summer Ave,
Malden, MA 02148

Aug. 26, 2002

Attn: Suzanne Green
125 Broad Street
36th Floor
New York, NY 10004

Ms. Green:

The fact that "There are many contents missed on the tape which you deliver to me" is 100% for sure.

The question is whether the panel should take the responsibility or you should take the responsibility.

Since you deny to ask the panel to review the tape which you deliver to me, that means you will take the full responsibility.

You should understand that tape forgery is a criminal behaviors.

In order to give you a chance to correct your mistake and avoid the criminal charge, you may make two copies of exact of original hearing tapes, send to me within 20 days. (However, this time, there should be no any missing contents!)

Otherwise, I will see you on the court on this issue.

Take care,

-- Delvin Shen --

-----Original Message-----
From: Green, Suzanne
[mailto:Suzanne.Green@NASD.com]
Sent: Monday, August 26, 2002 2:22 PM
To: 'Delvin Shen'
Cc: 'dca@mmmslaw.com'
Subject: RE: Contents in the arbitration hearing are missed in the tapes
w hitch you send to me.

Dear Mr. Shen,
This responds to your August 14, 2002 letter.

You have requested that the Panelists review copies of the tapes and advise if they think that there are missing contents. As I stated in my earlier response of August 14, 2002, I have already spoken to each arbitrator on the Panel. Each Arbitrator has stated that the entire proceeding was properly recorded. Therefore, your request that the Panel review the tapes is denied.

Please clarify what specific contents you feel are missing from the tapes.
Once you identify what you feel is missing, I will then be able to address
your specific concerns.

Suzanne E. Green
NASD
Arbitration Administrator
125 Broad Street
New York, NY 10004

-----Original Message-----
From: Delvin Shen
[mailto:delvin.shen@verizon.net]
Sent: Wednesday, August 14, 2002 9:04 PM
To: Green, Suzanne
Cc: Delvin Shen; De Shen
Subject: RE: Contents in the arbitration hearing are missed in the tapes
w hich you send to me.

Delvin D. Shen
11 Summer Ave,
Malden, MA 02148

Aug. 14, 2002

Attn: Suzanne Green
125 Broad Street
36th Floor
New York, NY 10004

Ms. Green:

Please send a copy of the same tapes (which you sent to me) to each of
the member of the arbitration panel, ask them to verify whether the tapes
are the exact recordings of the hearing.

I need a written letter from each panel member to confirm
that each of them has listened the copied tapes, and what they think whether
some contents of the hearing are missed.

I will ask the honorable judge to make judgment on who were cheating on
making the copied tapes.

At the mean time, I have to submit the missing contents tapes to the
court.

Take care,

-- Delvin Shen --

-----Original Message-----
From: Green, Suzanne
[mailto:Suzanne.Green@NASD.com]
Sent: Wednesday, August 14, 2002 2:45 PM
To: 'Delvin Shen'
Subject: RE: Contents in the arbitration hearing are missed in the tapes
w hich you send to me.

Mr. Shen
This responds to your August 10, 2002 e-mail concerning the tapes you have
received in case number 01-03697.

I have confirmed with the Panel that there were a total of three (3) tapes
used to record the hearing on the merits during the one day hearing. The
tapes that I sent to you were a "exact" recoding of the tapes that I
received back from the panel.

The Panel has confirmed that the entire hearing was tape recorded, except
for executive sessions, which are not recorded. The Panel also said that
they stopped the recorder when you stated that you would like to take a
break.

In your letter you state that "many contents" were missing. Please clarify
if you are referring to problems hearing the what was being said or if you
are referring to something else.

Suzanne E. Green
Arbitration Administrator
NASD Dispute Resolution
125 Broad Street
New York, NY 10004

-----Original Message-----
From: Delvin Shen
[mailto:delvin.shen@verizon.net]
Sent: Saturday, August 10, 2002 10:20 PM
To: Suzanne Green
Cc: Delvin Shen; De Shen
Subject: Contents in the arbitration hearing are missed in the tapes
which you send to me.

Delvin D. Shen
11 Summer Ave,
Malden, MA 02148

Aug. 10, 2002

Attn: Suzanne Green
125 Broad Street
36th Floor
New York, NY 10004

Ms. Green:

I received the two copies of tapes of the arbitration hearing today (Aug. 10, 2002).
However, each copy only included three tapes. After I listened to the tapes, I found many contents in the hearing are missed in the tapes.

Please verify this issue ASAP. If this is your co-worker's mistake, please correct it, and send to me the two exact copies of the hearing tapes ASAP.
If this is done purposely, I don't think the honorable judge will tolerant this kind of behaviors.

Take care,

- Delvin Shen -

Supplemental Appendix 13
One proof of arbitration-hearing tapes were edited

(See Appendix 16 of Brief Appendix of Appellant)

After the arbitration of June 20, 2002, the Plaintiff request the arbitration administrator Ms. Suzanne Green send me two copies of arbitration hearing tapes.

Ms. Suzanne Green told me that total **four** tapes, each tape costs $15.00. The total cost of the two copies of hearing tape is $120.00

The Plaintiff hence sends a check of $120.00 to NASD Dispute Resolution, Inc on July 27, 2002.

The content of the image of that check:

PERSONAL
MONEY ORDER

Fleet 647082755

For hearing tapes (Two copies)

Memo NASD No. 01-03697

PAY $*****120.00

$**120*00DOLLARS*AND*00*CENTS*

TO THE ORDER OF
NASD Dispute Resolution, Inc

s/Delvin D. Shen
11 Summer Ave
Malden, MA 02148

One proof of arbitration-hearing tapes were edited
(See Appendix 16 of Brief Appendix of Appellant)

On Aug. 10, 2002, the Plaintiff received the hearing tapes. However, each copy only included three tapes. When the Plaintiff listen to the hearing tapes, the Plaintiff found that there are many contents in the hearing are missed in the tapes. The tapes were obviously edited.

After the Plaintiff requesting the true copies of arbitration hearing tapes, Ms. Suzanne Green changed her tone from originally there are **four** hearing tapes for case 01-03697 to there are **three** hearing tapes for case 01-03697.

The following check is NASD's refund check.:

SunTrust
SunTrust Bank

NASD
Finance Department
9509 Key West Avenue
Rockville, MD 20850
(240)386-5295

CHECK NO: 0000065103
Check Date Pay This Amount
08/12/02 *****$30.00

PAY Thirty and 00/100 Dollars

TO THE ORDER OF
De Shen And BaiSheng Zhou
C/O De Shen
11 Summer Avenue
Malden, MA 02148

Supplemental Appendix 14
Motion to re-open this case (after arbitration, Aug 10, 2002)

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

PLAINTIFF:	)	
De Shen	)	
	)	Trade Fraud on
v.	)	March 7, 2000.
	)	
DEFENDANT:	)	Civil Action
T. D. WATERHOUSE INVESTOR	)	No. 00-11190-WGY
SERVICE, INC.,	)	
	)	

Aug 10, 2002

MOTION

Plaintiff strongly request to re-open this case

Parties

1) The plaintiff is a US citizen, a resident of Malden, Massachusetts.
2) The defendant TD Waterhouse Investor Service, Inc is a brokerage company; It is located at 100 Wall Street, New York, NY 10005

Jurisdiction

Race Discrimination or race prejudice should not be tolerant.
Bill of Right should be applied.
All people are created equal.

Facts

3) The plaintiff submitted a motion on Feb 3, 2001. In that motion, the plaintiff wrote on count 9: "**I, hereby, pray to the Honorable Judge in this Court, in order to avoid the conflict interest, this case should be reopened and the investigation about the defendant's illegal actions in this case should be handled by this Honorable Court. I sincerely pray to the Honorable Judge to provide justice judgments in this court on this case according to the Bill Of Right.**"

4) On July 2, 2001, our Honorable Judge Young replied to this motion: " **To reopen, this case must first proceed through arbitration.**"

5) On July 26, 2001, the plaintiff formally submitted the "Arbitration Statement of Claim" to NASD Dispute Resolution, Inc. Although the Plaintiff worry about that there might be some conflict interest issue if this case handled by arbitration, the Plaintiff decided to follow the honorable judge's order, seriously go through the arbitration first.

6) On Nov. 7, 2001, the defendant submitted "Respondent's Statement of Answer". In this document, the defendant openly requested, "this Panel dismiss the Statement of Claim, with **prejudice**." (Page 4, Line 9). This proved that the defendant does not want to seriously go through the arbitration.
From the dictionary, you can see that there are two major meanings for the word "prejudice":
    i. An opinion, favorable or unfavorable (more often the later), formed without fair examination of facts.
    ii. Unreasonable bias, suspicion, intolerance, or irrational hatred of other races, creeds, regions, occupations, etc.

Obviously, that defendant's request is entirely against the law, against the Constitution. Hence, it should be seriously punished.

7) On Nov. 25, 2001, the plaintiff submitted "First Request For Document and Information to Defendant". On that document, the Plaintiff wrote:

"Considering the statement wrote by the lawyer of the defendant in the Statement of Answer that: "Market orders receive execution priority and, because there were market orders ahead of his, those were filled at $2.00". **The plaintiff strongly requests that the defendant should provide all the documents and information about the orders related to all the 137 transactions on PTUS, which were executed between 10:23:39 to 12:04:28 of March 7, 2000 (Page 9 – Page 13 in the Market/Trade Recap), and the trade price were exceeded $2.00 (from $2 1/32 to $2 ¼). For those orders and transactions, the defendant should provide the order types, the order prices, when the orders placed and who placed those orders. All the inside trading transactions should be indicated."**

This request basically asked the defendant to add the following information, which includes "Order Type", "Order Price", "When the order placed" and "whether that order is placed by Market Maker or Broker" to the Market Recap document.

This is the critical information to judge whether there were any unfair trades to cause the failure of execute the plaintiff's order.

However, until today the defendant still does not provide this critical information yet.

8) **When organizing the Panel, the administrator of the arbitrator Lie**

The deadline of submitting the Panel candidate list is Dec. 24, 2001. The plaintiff selected the Panel list and submitted on Dec. 15, 2001. One day (after Dec. 24, 2001, and before Feb.1, 2002) (In the document I sent to NASD, I mentioned Dec. 26, 2002, however, I might miss remember the exact date) the Plaintiff called Ms. Kelly Davis, asked her whether the Defendant (Respondent) had submit their arbitrator list on time. **Ms. Kelly informed me that NASD had not received the Defendant (Respondent)'s list yet.** And she told me NASD would process on the arbitration panel list anyway without waiting for the Defendant (Respondent)'s list.

If Ms. Kelly Davis' statement is true, then, all (or most) the arbitrators should come from the Plaintiff's arbitrator list. However, when the Plaintiff received the finalized arbitrator list of the Panel, the Plaintiff found that only Mr. Richard D. Jordan (4) was selected as the arbitrator of the Panel.

The Plaintiff called Ms. Suzanne Green to clarify what happened. **Ms. Suzanne Green told me that the Defendant submitted their arbitrator list on Dec. 24, 2001**.

Since the result of the arbitration is critically depended by who is (are) arbitrator(s), the plaintiff has to file causal challenge to request Ms. Suzanne Green to clarify the timing issue. However, one month passed, Ms. Suzanne Green still unable to clarify this issue.

On a letter that the plaintiff sent to the President of NASD, the plaintiff wrote:

"After one month that I asked Ms. Suzanne Green regarding to the Timing Issue on the defendant's submission of its selected Arbitrator List for the Panel, **Ms. Suzanne Green is still unable to answer my simple question. Hence, I formally propose the investigation request on this issue to NASD Dispute Resolution, Inc.**

If Ms. Suzanne Green was cheating or lying on the Arbitration Job, she should not be qualified as an Arbitration Administrator on this case."

On March 26, 2002, Ms. Elizabeth R. Clancy, the associate Vice President of NASD, replied me a letter. In her letter, **Ms. Clancy provided a third version** of this timing: the defendant sent to NASD the arbitration ranking form by facsimile to NASD on Dec 11, 2001.

Until now, who was lying, who was cover up, is still a riddle. The plaintiff strongly believes that Ms. Kelly Davis was telling the truth at that moment. I wish Ms. Kelly could tell the truth on the court. If she does tell the truth on the court, then this issue will be covered up.

9) On March 28, 2002, the plaintiff submitted an "Amendment of Arbitration Statement of Claim" based on the defendant continually deny its wrongdoing.

10) On June 20, 2002, at the arbitration hearing, the defendant submitted "Respondent's amended Statement of Answer", in which, the defendant first time exposed the market maker "Knight Securities",

and indicated that "Knight Securities" was ultimately responsible for the execution of the order.

On the arbitration hearing, the defendant continually lied under the oath:

1. The defendant submitted the "Respondent's Amended Statement of Answer" on the June 20, 2002's hearing. In that document, the defendant continually wrote, "Market orders receive execution priority and, because there were market orders ahead of his, Knight Securities executed those market orders first."
Anyone who familiar with stock trading will know that market order is very risky. So, only about 5% orders are fall into market orders. **According to the probability theory, it is almost impossible that all the tractions between 10:23:39 to 12:04:28 of March 7, 2000 are market orders. The defendant's reject providing the critical information is further proved that the defendant was continually lying.**

2. In the defendant's "Respondent's Amended Statement of Answer", the defendant wrote, "When it came time, in turn, for Claimant's order to be executed, the market was trading below $2.00 and it did not reach $2.00 again before April 20, 2000." The defendant was lying again on this matter. This issue is a Queuing issue. The plaintiff's order was placed on Feb. 23, 2002. Long before March 7, 2001. According to Queuing theory, the first placed order should be served first. So, the plaintiff's order should be executed at the very beginning of the time when the bid price reached $2.00. And the plaintiff's order should be executed 100% when the bid price exceeded the $2.00 limit price. **Again, The defendant's reject providing the**

critical information is further proved that the defendant was continually lying.

A serious arbitration or judgment should base on facts. However, the three arbitrators did not ask the defendant to provide the critical information such as the order type, the order price, the order placed time, and who placed those order of all the transactions on PTUS on March 7, 2002. **I am curious how the arbitrators can make right decision without those critical facts?** Without those critical facts, what the arbitrators can be based on? The only thing the arbitrators can be based on is the race! **Arbitration based on racial prejudice is wrong and should not be tolerant!**

11) On July 20, 2002, the plaintiff received a copy of the Award document from the NASD Dispute Resolution, Inc. In this document, NASD unfairly dismissed the plaintiff's claim in the entirety. **Every item in the plaintiff's Statement of Claim was not be arbitrated! There is no any conclusion from the arbitrators on each item of the plaintiff's Statement of Claim. Of cause, there is no any reasoning on how to get those conclusions!** Also, it denied all other requests from the plaintiff. **NASD's decision is not based on the critical facts, which until now the defendant had not provided yet. Its decision is with prejudice, prejudice of race, prejudice against Asia Immigration.**

The entire arbitration process is unfair due to the conflict interest. This is because this case is partially but directly associated with NASD (See count 8 of the claim). The result is just as the plaintiff predicted in the Motion of Feb. 3, 2001.

Because until now the defendant has not present the critical information requested by the plaintiff, because the unfair result conducted by the NASD due to the conflict interest, the plaintiff strongly request this court reopen this case as promised by our Honorable Judge Young.

Since the Panel of Arbitration did not make judgment based on the facts, and did not provide Item by Item judgments for this case, the part (c) of the conclusion of the "Amendment of Arbitration Statement of Claim" should be applied:
(c) If the defendant escape from the Item by Item Justice Arbitration, then when this case back to the Court, the Base Line of Award will be $1,280,000.00. The TRIPLE Penalty will be $3,840,000.00.

MOTION CONCLUSION

12) The defendant start from trade mistake or trade fraud, then it cheated customer, played word game to cheat SEC, made forgery statement and insult customer, then it tried to prevent its customers present more valid data evidences to the Honorable Judge in the court in the future, then it openly asked the arbitrators to make arbitration by racial prejudice against Asian Immigration. It is the time to start to make a complete investigation on the defendant's illegal actions.

13) **I, hereby, pray to the Honorable Judge in this Court, in order to punish the defendant's series of wrong doing, this case should be reopened and the**

investigation about the defendant's illegal actions in this case should be handled by this Honorable Court. I sincerely pray to the Honorable Judge to provide justice judgments in this court on this case according to the Bill Of Right.

Sincerely Yours,

De Shen
11 Summer Ave
Malden, MA 02148

Supplemental Appendix 15
Cover letter for Aug. 10, 2002's Motion

11 Summer Ave
Malden, MA 02148

Aug. 16, 2002

Case: 00-11190WGY

US District Court
Suite 2300
U.S. Courthouse
One Courthouse Way
Boston, MA 02110

Honorable Judge:

According to the Honorable Judge Young's statement on July 2, 2001, the plaintiff seriously went through the arbitration with the defendant from July 26, 2001 to July 20, 2002. As predict, due to the conflict interest, NASD was unable to fairly make item-by-item judgment on this case.

Justice judgment should base on fair examination of facts.

However, the defendant rejected to provide the case related critical information again and again. I wonder, without that critical information, how the arbitrators can make any right decision. The plaintiff strongly requests the honorable judge to compel the defendant to provide the critical case related document requested by the plaintiff in the Plaintiff's "First Request For Document and Information to Defendant".

Justice judgment should base on the principle of "All People are created equal".

However, the defendant openly requested the arbitration panel to dismiss this case by race prejudice. And the result is just as the defendant's willing, the three arbitrators dismissed the Plaintiff's claim in the entirety without any reasoning:
Count (8) which is directly associated with NASD was untouched;
The defendant's failure to execute customer's order was not punished;
The defendant's cheating and insulting customer was not punished;
The defendant's cheating SEC was not punished;
The defendant and its lawyer's lying under the oath were not punished;
The defendant failed to provide case related critical information was not punished;
The defendant's hiring lawyer to invade the Plaintiff's privacy was not punished;
In general, the defendant successfully escaped from the justice judgment in the arbitration hearing due to the conflict interest.

During the selecting arbitrators procedure, the administrator of NASD Arbitration, Ms. Green lied and unfairly composed a Panel, which is in favor of the defendant.

After hearing, after many times of the plaintiff requesting on the hearing tapes, the administrator of NASD Arbitration, Ms. Green finally deliver to the plaintiff two copies of the hearing tapes, in which, there are many contents are missed. Some panel member's speech, which obviously bias in favor of the defendant, are erased from the tapes. Ms. Green might think that, by the way, she could help the defendant win the game. However, her IQ is too low! Her actions just like an

old story – "A person put a slogan 'There is no 300 once Silver here' above the place where he hided 300 once Silver". Without the judgment in the court, Ms. Green's action has already proved that this arbitration was unfairly processed by the arbitration panel. Until now, Ms. Green is still unwilling to provide the "Exact" copy of the original hearing tape. A copy of tapes edited by the NASD will be present to this court. The plaintiff strongly requests the honorable judge to compel the NASD to provide exact copies of the original hearing tape to the Plaintiff and the court.

On July 2, 2001, our Honorable Judge Young replied to the Plaintiff's motion: " **To reopen, this case must first proceed through arbitration.**"

The plaintiff hereby, present a motion, "**Motion --- Plaintiff strongly request to re-open this case**" to this court. The plaintiff pray to the Honorable Judge in this Court, in order to punish the defendant's series of wrong doing, this case should be reopened and the investigation about the defendant's illegal actions in this case should be handled by this Honorable Court. I sincerely pray to the Honorable Judge to provide justice judgments in this court on this case according to the Bill Of Right.

Take care and regards,

-- De Shen --

cc Mr. Alan Wagner
Compliance Department,
TD Waterhouse Investor Service, Inc
100 Wall Street
New York, NY 10005

Supplemental Appendix 16
Motion to Compel The Production Of Documents

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

PLAINTIFF:	)	
De Shen	)	
	)	Trade Fraud on
v.	)	March 7, 2000.
	)	
DEFENDANT:	)	Civil Action
T. D. WATERHOUSE INVESTOR	)	No. 00-11190-WGY
SERVICE, INC.,	)	
	)	

Aug 15, 2002

Plaintiff's MOTION
To Compel The Production Of Documents and to Add the Knight Securities to the Defendant List

Judgment should base on facts instead of prejudice.

As grounds for this Motion, Plaintiff states as follows:

1. Plaintiff served its "First Request For Document and Information to Defendant" on Nov. 25, 2001. A copy of this document is attached hereto as Exhibit A.

   This request basically asked the defendant to add the following information, which includes "Order Type", "Order Price", "When the order placed" and "whether that order is placed by Market Maker or Broker" to the Market Recap document.

   This is the critical information to judge whether there were any unfair trades to cause the failure of execute the plaintiff's order.
   However, one and half year had passed, the defendant failed to deliver this critical file to the Arbitration Panel. Hence, the entire arbitration is baseless. Without this critical information, how could the arbitrators to make the right judgment?

2. On the arbitration hearing, the defendant first time exposed the Market Maker, the Knight Securities. The

defendant wrote on its "Respondent's Amended Statement of Answer", "the 'market maker' becomes responsible for the execution of orders in bulletin board stocks. In this case, the market maker for PTUS was Knight Securities. At the time Claimant placed his limit order, Respondent placed the order with Knight Securities, who was ultimately responsible for the execution of the order."

Since the Knight Securities was involved this issue, Plaintiff request to add the Knight Securities to the Defendant list.

3. In the Plaintiff's "Post Hearing Document Request", the Plaintiff wrote:
"Form the hearing of June 20, 2002, the defendant first time mentioned the market maker, Knight Security. So, all the puzzles are now put on the Knight Security. From the 'Market/Trade Recap', Failure to Execute is for sure. However we have to figure out that whether the defendant was fault or the 'Knight Security' was fault, or both at fault.

The plaintiff requests all documents between the defendant and the 'Knight Security' related to this case.

(1) When the defendant put the plaintiff's order to the 'Knight Security'? Please present a copy of the order.

(2) Did the defendant sent investigate letters to the 'Knight Security'? If 'yes', then the defendant should provide those letters and the reply letters from the 'Knight Security' to the

plaintiff. If 'no', then it proved that the defendant is irresponsible.

(3) The plaintiff believes that the 'Knight Security' should provide the 'Time and Sell' information which basically based on the 'Market Trade Recap', plus the Sell Order types, Sell Order priees, and when the order was placed, etc for the March 7, 2000's PTUS transactions."

Sincerely Yours,

De Shen
11 Summer Ave
Malden, MA 02148

Supplemental Appendix 17
District Judge's Opinion to be reviewed (2)

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

PLAINTIFF: De Shen	)	
	)	Trade Fraud on
v.	)	March 7, 2000.
DEFENDANT: T. D. WATERHOUSE INVESTOR SERVICE, INC.,	)	Civil Action No. 00-11190-WGY

Aug 10, 2002

DOCKETED

Sept. 6, 2002

Treated as a motion for reconsideration, motion denied.

s/William G. Young
Chief Judge

Supplemental Appendix 18
District Judge's Opinion to be reviewed (3)

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

IN THE MATTER OF: Case: 1:00-cv-11190

Chief Judge William G. Young – Pre

Shen – plaintiff

v.

T.D. Waterhouse – defendant

NOTICE OF ACTION BY THE COURT

Notice To:

De Shen
11 Summer Avenue
Malden, MA 02148

**

The following ruling was made on 9/24/02 and entered on the docket:

Chief Judge William G. Young Endorsed Order entered re: [18-1] motion to compel the production of documents. Motion Denied, this case having been referred to arbitration and closed on 7/19/00. cc/cl. . [EOD Date 9/25/02]

Supplemental Appendix 19
Motion on having a hearing

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

PLAINTIFF: De Shen	)	
	)	Trade Fraud on
v.	)	March 7, 2000.
DEFENDANT: T. D. WATERHOUSE INVESTOR SERVICE, INC.,	)	Civil Action No. 00-11190-WGY

Sep 29, 2002

Plaintiff's MOTION On Having A Hearing

The resolution of Arbitration is unfair

The plaintiff received two denied letters, which denied two Plaintiff's motions. However, these two letters are all based on an assumption that the arbitration conducted a fair resolution. Unfortunately, due to the conflict interests, the resolution of the arbitration is extremely unfair.

The plaintiff hence requests a hearing. On the hearing, the plaintiff will explain to the honorable judge in detail about why the plaintiff believes that the arbitration resolution is extremely unfair.

De Shen
11 Summer Ave
Malden, MA 02148

Supplemental Appendix 20
District Judge's Opinion to be reviewed (4)

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

IN THE MATTER OF: Case: 1:00-cv-11190

Chief Judge William G. Young – Pre

Shen – plaintiff

v.

T.D. Waterhouse – defendant

NOTICE OF ACTION BY THE COURT

Notice To:

De Shen
11 Summer Avenue
Malden, MA 02148

**

The following ruling was made on 10/7/02 and entered on the docket:

Chief Judge William G. Young Endorsed Order entered Denying [19-1] motion for Hearing . [EOD Date 10/7/02]

Supplemental Appendix 21
On requesting the reason of court ruling

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

PLAINTIFF: De Shen	)	
v.	)	Trade Fraud on March 7, 2000.
DEFENDANT: T. D. WATERHOUSE INVESTOR SERVICE, INC.,	)	Civil Action No. 00-11190-WGY

Oct. 20, 2002

Plaintiff's MOTION On Requesting the reason of court ruling on Oct. 7, 2002

The resolution of Arbitration is unfair

The plaintiff received the third denied letter, which denied Plaintiff's motion on request a hearing on why the arbitration resolution is extremely unfair.

The plaintiff doubt whether this ruling was made by Judge Young. There is no Judge Young's signature on the document.

The plaintiff believes that an honorable judge should listen to the people. If a judge does not listen to the people, then, he/she cannot earn the respect from the people.

The plaintiff believes that an honorable judge should make the judgment according to the law. The plaintiff requests the person (who ever made the ruling of Oct. 7, 2002) provide the reason of the ruling and answer the following question:

According to which law(s) the ruling of Oct. 7, 2002 was made?

The justice has not fulfilled on this case yet. No matter how long the road towards the justice will be, the plaintiff will pursue the justice for this case until the justice fulfilled on this case.

De Shen
11 Summer Ave
Malden, MA 02148

cc Mr. Alan Wagner
Compliance Department,
TD Waterhouse Investor Service, Inc
100 Wall Street
New York, NY 10005

Supplemental Appendix 22
District Judge's Opinion to be reviewed (5)

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

IN THE MATTER OF: Case: 1:00-cv-11190

Chief Judge William G. Young – Pre

Shen – plaintiff

v.

T.D. Waterhouse – defendant

NOTICE OF ACTION BY THE COURT

Notice To:

De Shen
11 Summer Avenue
Malden, MA 02148

**

The following ruling was made on 10/28/02 and entered on the docket:

Chief Judge William G. Young Endorsed Order entered Denying [20-1] motion for clarification of [0 – 0] endorsed order denying Motion for Hearing . [EOD Date 10/28/02]

Supplemental Appendix 23
Motion To Compel NASD to Provide True Copy Of Arbitration Hearing Tape

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

PLAINTIFF: De Shen	)	
	)	Trade Fraud on
v.	)	March 7, 2000.
DEFENDANT: T. D. WATERHOUSE INVESTOR SERVICE, INC.,	)	Civil Action No. 00-11190-WGY

Nov. 15, 2002

Plaintiff's MOTION
To Compel NASD to Provide True Copy Of
Hearing Tape Of Case 01-03697

Tape Forgery is a Criminal Behavior

The plaintiff received the hearing tape of the arbitration (NASD No. 01-03697) on Aug. 10, 2002. When the plaintiff listen to the tape, the plaintiff discovered that many content of the arbitration hearing are not in the tape.

On the arbitration, the arbitrators openly bias in favor of the defendant. For example, when the plaintiff asked the defendant to provide detailed case related trade information to the Arbitration Panel. (Without those basic facts, the arbitration will be baseless.) The Arbitrator Chair Richard D. Jordan openly protects the defendant. He said loudly, "It is trade secret!" However, this statement is erased from the hearing tape.

This is one fact that it proved the arbitration resolution is extremely unfair.

(1) In the speech on explaining **the new law passed by Congress and Senate** "Tough New Enforcement Initiatives for Reform on Corporate Responsibility", President Bush said:
"We've learned of some business leaders obstructing justice, and misleading clients, falsifying records, business executives breaching the trust and abusing power."

Erase content from hearing tape is one type of "falsifying records". And this type of forgery hearing tape is a criminal behavior. NASD arbitration administrator Ms. Suzanne Green should be punished on her bad behavior. Her bad behavior has breached the people's trust and abused NASD's power.

(2) On the same speech, President Bush said: **"Self-regulation is important, but it's not enough. Government cannot remove risk from investment -- I know that -- or chance from the market. But government can do more to promote transparency and ensure that risks are honest. And government can ensure that those who breach the trust of the American people are punished."**

The arbitrators helped the defendant to refuse providing critical case related trade information and to hide the true trade transaction data by claiming "It is Trade Secret". The arbitrators' action and the defendant's action are strictly against the law, which passed by Congress and Senate. Congress, Senate and President Bush ask to promote transparency. While the arbitrators' action and the defendant's action are strictly going to the opposite direction. Their actions breached the trust of the American people.

The plaintiff believes that the court should act now to promote the data transparency and ensure the unfair and un-honest trade fraud is punished.

(3) On the same speech, President Bush said: **"Defrauding investors is a serious offense, and the punishment must be as serious as the crime."**

The plaintiff believes that the defendant's denying its mistake again, again and again should be seriously punished. When this case re-opened in the court, the minimum punishment should be $1,000,000.00.

However, if the punishment reached or exceeded $1,000,000.00, the plaintiff is planning to use at least 80% of the awarded money to establish a non-profit fund, which will be used for the following purpose:

(a) Promote High Education Organizations to utilize the most advance computer technologies, e.g. Academy Enterprise System, etc.

(b) Promote Reporters, Lawyers and Security Workers to support world peace and justice.

(c) Promote culture interchanges in this world so that people from different countries with different culture background can understand each other.

(d) Promote Boston's new construction and expansion. So that Boston will be one of the largest and the most famous cities in the world.

(4) On the same speech, President Bush said:
"If more scandals are hiding in corporate America, we must find and expose them now, so we can begin rebuilding the confidence of our people and the momentum of our markets."

The plaintiff believes that it is the time, on this court, to expose the defendant's trade fraud and NASD's cooking the hearing tape. The plaintiff respectively requests the court:

(I) Order the NASD to provide the true copy of the hearing tape of the arbitration (NASD No. 01-03697) to the plaintiff and to this court;

(II) Order the defendant to provide true transaction data (include Order type, Order Date, Order Price, and "whether that order is placed by Market Maker or Broker" appended to the Market Recap) to the plaintiff and to this court.

The plaintiff believes that this court, as one part of the US government, has the guts and power to make the above orders.

De Shen
11 Summer Ave
Malden, MA 02148

cc Mr. Alan Wagner
Compliance Department,
TD Waterhouse Investor Service, Inc
100 Wall Street
New York, NY 10005

cc Ms. Suzanne Green
NASD Dispute Resolution, Inc,
125 Broad Street
36th Floor
New York, NY 10004

Supplemental Appendix 24
District Judge's Opinion to be reviewed (6)

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

PLAINTIFF: De Shen	)	
	)	Trade Fraud on
v.	)	March 7, 2000.
DEFENDANT: T. D. WATERHOUSE INVESTOR SERVICE, INC.,	)	Civil Action No. 00-11190-WGY

Nov 15, 2002

Nov. 25, 2002

YOUNG D.J.

MOTION DENIED without prejudice to its renewal should either party seek confirmation or vacation of the arbitration award.

s/ William G. Young
U.S. District Judge

Supplemental Appendix 25
Motion to Request Vacation of Arbitration Award

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

PLAINTIFF:	)	
De Shen	)	
	)	Trade Fraud on
v.	)	March 7, 2000.
	)	
DEFENDANT:	)	Civil Action
T. D. WATERHOUSE INVESTOR	)	No. 00-11190-WGY
SERVICE, INC.,	)	
	)	

Dec. 8, 2002

Plaintiff's MOTION
To Request Vacation of the Arbitration Award on
Case NASD No. 01-03697

The Arbitration Was Extremely Unfair

On the arbitration, the arbitrators openly bias in favor of the defendant. For example, when the plaintiff asked the defendant to provide detailed case related trade information to the Arbitration Panel. (Without those basic facts, the arbitration will be baseless.) The Arbitrator Chair Richard D. Jordan openly protects the defendant. He said loudly, "It is trade secret!" However, this statement is erased from the hearing tape.

This is one fact that it proved the arbitration resolution is extremely unfair.

(1) In the speech on explaining **the new law passed by Congress and Senate** "Tough New Enforcement Initiatives for Reform on Corporate Responsibility", President Bush said:
"We've learned of some business leaders obstructing justice, and misleading clients, falsifying records, business executives breaching the trust and abusing power."

Erase content from hearing tape is one type of "falsifying records". And this type of forgery hearing tape is a criminal behavior. NASD arbitration administrator Ms. Suzanne Green should be punished on her bad behavior. Her bad behavior has breached the people's trust and abused NASD's power.

(2) On the same speech, President Bush said:
"Self-regulation is important, but it's not enough. Government cannot remove risk from investment -- I know that -- or chance from the market. But government can do more to promote transparency and ensure that risks are honest. And government

can ensure that those who breach the trust of the American people are punished."

The arbitrators helped the defendant to refuse providing critical case related trade information and to hide the true trade transaction data by claiming "It is Trade Secret". The arbitrators' action and the defendant's action are strictly against the law, which passed by Congress and Senate. Congress, Senate and President Bush ask to promote transparency. While the arbitrators' action and the defendant's action are strictly going to the opposite direction. Their actions breached the trust of the American people.

The plaintiff believes that the court should act now to promote the data transparency and ensure the unfair and un-honest trade fraud is punished.

(3) On the same speech, President Bush said: **"Defrauding investors is a serious offense, and the punishment must be as serious as the crime."**

The plaintiff believes that the defendant's denying its mistake again, again and again should be seriously punished. When this case re-opened in the court, the minimum punishment should be $1,000,000.00.

However, if the punishment reached or exceeded $1,000,000.00, the plaintiff is planning to use at least 80% of the awarded money to establish a non-profit fund, which will be used for the following purpose:

(e) Promote High Education Organizations to utilize the most advance computer technologies, e.g. Academy Enterprise System, etc.

(f) Promote Reporters, Lawyers and Security Workers to support world peace and justice.
(g) Promote culture interchanges in this world so that people from different countries with different culture background can understand each other.
(h) Promote Boston's new construction and expansion. So that Boston will be one of the largest and the most famous cities in the world.

(4) On the same speech, President Bush said:
"If more scandals are hiding in corporate America, we must find and expose them now, so we can begin rebuilding the confidence of our people and the momentum of our markets."

The plaintiff believes that ***it is the time, on this court, to expose the defendant's trade fraud and NASD's cooking the hearing tape***. The plaintiff respectively requests the court:

(I) ***Send a Subpoena to NASD***, order the NASD to provide the true copy of the hearing tape of the arbitration (NASD No. 01-03697) to the plaintiff and to this court;

(II) ***Order the defendant to provide true transaction data*** (include Order type, Order Date, Order Price, and "whether that order is placed by Market Maker or Broker" appended to the Market Recap) to the plaintiff and to this court.

The plaintiff believes that this court, as one part of the US government, has the ***guts and power*** to make the above orders.

De Shen
11 Summer Ave
Malden, MA 02148

cc Mr. Alan Wagner
Compliance Department,
TD Waterhouse Investor Service, Inc
100 Wall Street
New York, NY 10005

cc Ms. Suzanne Green
NASD Dispute Resolution, Inc,
125 Broad Street
36th Floor
New York, NY 10004

Supplemental Appendix 26
District Judge's Opinion to be reviewed (7)

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

Civil Action
No. 00-11190-WGY

* * * * * * * * * * * * * *

DE SHEN,
Plaintiff,

v.

T. D. WATERHOUSE INVESTOR SERVICE, INC.,
Defendant.

* MOTION HEARING

* * * * * * * * * * * * * *

BEFORE: The Honorable William G. Young,
District Judge

APPEARANCES:
DE SHEN, Pro Se, 11 Summer Avenue, Malden, Massachusetts 02148, on behalf of the Plaintiff

MURPHY & MICHAELS, LLP (By Derek C. Anderson, Esq.), One Liberty Square, 4th Floor, Boston, Massachusetts 02109, on behalf of the Defendant

1 Courthouse Way
Boston, Massachusetts

February 6, 2003

THE CLERK: Calling Civil Action 00-11190, De Shen v. T.D. Waterhouse.

THE COURT: Would the parties identify themselves, please.

MR. DE SHEN: This is De Shen, plaintiff.

MR. ANDERSON: Derek Anderson, your Honor, Murphy and Michaels, representing the defendant.

THE COURT: Mr. De Shen, you're here to represent yourself, sir.

MR. DE SHEN: Correct.

THE COURT: And you have every right to represent yourself and to be treated with the same courtesy that an attorney is treated. And your, your motion is a serious one. But I wonder if you have considered getting an attorney to represent you. As you can see, the matters in the Court are technical. And you were here once before on this issue of whether you were to go to arbitration, and having heard your argument then I stayed the Court's hand and sent the matter to arbitration. Now we're back because functionally you want to vacate the arbitration award and since you've tried that now they want to confirm the arbitration award.

Now, I just wonder if you don't want an attorney here.

MR. DE SHEN: I would like to have an attorney but I don't have enough money to pay them.

THE COURT: Well, have you, have you gone to any of the lawyer referral services?

MR. DE SHEN: You know, I'm busy at weekday, on the weekdays, but in the weekend, Saturday I call many lawyers. Mostly it's answering machine and some answered they want money. So.

THE COURT: All right. Well, then let's – so you want to go ahead today and that is your right. Is that correct?

MR. DE SHEN: Yeah, I want to go ahead today.

THE COURT: All right.

MR. DE SHEN: And process this.

THE COURT: How do you deal with their argument that you have waited too long to challenge the arbitration award in this court?

MR. DE SHEN: Your Honor, I --

THE COURT: Yes.

MR. DE SHEN: Sorry.

THE COURT: Go right ahead.

MR. DE SHEN: Okay. I have a reply to the defendant's surreply. You already read this. Right?

Actually my action for vacating this arbitration award, it start from August 10th. August 10, I wrote the first motion which is motion to reopen this case. To reopen means vacate the arbitration award and handle this case in this court. The defendant's --

THE COURT: All right.

MR. DE SHEN: -- case is from the arbitration.

THE COURT: Wait.

MR. DE SHEN: And now we have to have justice here.

THE COURT: Wait a minute. Now, you answered my question.

What do you say to that? I mean, isn't he right? If, if we date this from August 10th when he moved to reopen he's within the three months, correct.

MR. ANDERSON: If we dated it August 10th.

THE COURT: Well, shouldn't we?

MR. ANDERSON: No, your Honor.

THE COURT: Why not?

MR. ANDERSON: As a preliminary matter, your Honor, the defendant filed a motion for leave to file a surreply. I don't know that the Court's ruled on that motion. But the cases that we cited to you in that case are fairly on topic.

THE COURT: They may be but he may file a surreply.

Now, what about the answer to my question. He answered my question. Why shouldn't I treat – he's pro se. I closed the case. As is my practice, I said anyone could open it at any time. The only reason to reopen a case after arbitration is to

get the award vacated or confirmed. So you were put on notice that he was challenging the award when he moved to reopen. Why isn't that so?

MR. ANDERSON: Your Honor, the Federal Arbitration Act is very clear. There is in Section 12 a three month time provision.

THE COURT: But he's within it is my point.

MR. ANDERSON: Your Honor, the motion to reopen does not constitute a motion to vacate.

THE COURT: That's, that's your point.

MR. ANDERSON: Yes.

THE COURT: What's the best authority for that?

MR. ANDERSON: The McClelland case that the defendant cited to in its surreply, your Honor. The McClelland case involved almost the exact situation that exists here. In McClelland the party that was seeking to vacate the award filed a motion to reopen within the three month period, filed a motion to vacate outside of the three month period. The Court held that the motion to reopen did not constitute a motion to vacate and that the motion to vacate was therefore not filed timely.

THE COURT: Your citation is correct, but that's persuasive, that's not controlling on this Court. Is it?

MR. ANDERSON: Your Honor, it's not a First Circuit case.

THE COURT: Right.

MR. ANDERSON: There is a case coming out of the Puerto Rico District Court, your Honor, which is not necessarily controlling on this Court but I believe should also be persuasive. That is the Franco case, I believe, your Honor, which we sited to in our original brief, our opposition.

THE COURT: Okay. I rule that his motion to reopen tolls the time because the only reason to reopen a case after arbitration is either to confirm or vacate the award.

Now, on the merits, Mr. De Shen, why should I vacate this award?

MR. DE SHEN: Okay. Because the arbitration is unfair. You can see from the beginning to the end the arbitrator is totally biased to the defendant.

THE COURT: But that's a problem with arbitration.

MR. DE SHEN: Yeah, that's a problem with arbitration.

THE COURT: I mean it is.

MR. DE SHEN: So it's --

THE COURT: If you get a biased arbitrator. They won.

MR. DE SHEN: The arbitrator say loudly this is a trade secret when I ask them provide detailed data which they, and until now they do not provide it. And this sentence was erased from the hearing tape. I got the hearing tape. Here is the hearing tape. This is the edited hearing tape. The arbitrator administrator, arbitration administrator, Susan Green, she give me the tape. And I listen to the tape. I find this statement is missing. And there are other statement missing, too.

THE COURT: And what does that show? Suppose that's true. What does that show?

MR. DE SHEN: It hide the data from the truth.

THE COURT: Well.

MR. DE SHEN: And this is the -- the entire argument is this. When I ask them provide the trading data, they finally provide me the market recap. And the market recap already very convincingly say this is their fault. Because there are three hours, the market traded at the bid price and ask price exceeded my sale order price. So anyone who has any investment knowledge they will know my order should be filled. However, my order does not fill.

And then the defendant, the arbitrator, the defendant said, oh, market order have the high priority. Okay. Then they have to prove all of those 137, 137 transactions is market order. Then I don't have a complaint. But they fail to explain this. Right?

So, this is – and then the defendant say because my order is, when I reach the, when the market maker reach the time to sell my order the market had already gone down.

There is one more important issue, is a queuing issue, you know, who should be first. If the defendant do not provide information that all the order is market order. Actually in the hearing the defendant commit there are limit orders inside all the 137 orders.

So, between those limited orders whose, whose order should be executed first. And they should be according to queuing theory. First come, first server.

THE COURT: According to --

MR. DE SHEN: So my --

THE COURT: Wait. Wait. According to what? According what theory?

MR. DE SHEN: Queuing theory. This is a mathematics theory.

And let me put to you simple. Suppose --

THE COURT: Are you saying they have to follow that? That's some requirement?

MR. DE SHEN: Yeah. Suppose --

THE COURT: Why?

MR. DE SHEN: Suppose ten persons sit in a line --

THE COURT: No, no.

MR. DE SHEN: -- to by a book.

THE COURT: I --

MR. DE SHEN: Right?

THE COURT: I understand --

MR. DE SHEN: And there are many persons sitting in the front of you. I'm sitting in the first one.

THE COURT: Mr. De Shen? Mr. De Shen?

MR. DE SHEN: Yes.

THE COURT: I understand first in, first out.

MR. DE SHEN: Okay. Yeah.

THE COURT: I just had to understand it. I'm asking you, is that some regulation --

MR. DE SHEN: Yes.

THE COURT: -- of the National Association of Securities Dealers?

MR. DE SHEN: That's what we talk about priority. He said further --

THE COURT: All right, let me ask, let me ask him.

MR. DE SHEN: Yes.

THE COURT: You're willing, I just want to be clear here, you're willing to take all those things that he says as true but under the Federal Arbitration Act I must confirm the award anyway. Isn't that right?

MR. ANDERSON: Correct, your Honor.

THE COURT: Yes. And respectively, Mr. De Shen, that is the law. Now, unfortunately you would have been well advised – and I recognize that you say you can't afford an attorney. There are a variety of ways to attack arbitration clauses before arbitration.

MR. DE SHEN: I --

THE COURT: None-- I hear you. In fact, I held a hearing.

MR. DE SHEN: I can prove they are, the arbitrator --

THE COURT: Mr. De Shen?

MR. DE SHEN: -- arbitration administrator is --

THE COURT: Mr. De Shen, you really must listen to me.

MR. DE SHEN: Okay.

THE COURT: There's various ways that could have been attacked before. They were not. I fear because you are, were not represented by counsel. That's a problem in our society. And so I allowed the case to go to arbitration.

Now that it has been arbitrated, even taking all those things which you've just said as true, it is my duty under the Federal Arbitration Act to tell you that they do not afford relief. Arbitration is second-class justice. It can be unilaterally or largely unilaterally enforced on a party as a cost of trading in

the securities markets. That is the policy of the Supreme Court of the United States. I am bound to uphold it.

The motion of the defendant to confirm the arbitration award is --

MR. DE SHEN: One second.

THE COURT: -- granted and your motion is denied.

MR. DE SHEN: One second. I have – this is –

THE COURT: Mr. De Shen, the Court has ruled. You have the right to appeal to the First Circuit Court of Appeals. But that's my ruling.

We'll call the next case.

MR. DE SHEN: Okay. I will appeal but I need the transcript.

THE COURT: Well, you'll have to order it from the court reporter.

MR. DE SHEN: Okay. Your judgment is unfair.

THE COURT: My judgment is in accordance with the law. I am --

MR. DE SHEN: I --

THE COURT: But you're entitled to your view.

All right. We'll call the next case.

MR. ANDERSON: Thank you, your Honor.

(Whereupon the matter concluded.)

Supplemental Appendix 27
District Judge's Opinion to be reviewed (8)

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

Civil Action
No: 00-11190-WGY

SHEN
Plaintiff

v.

T.D. WATERHOUSE
Defendant

JUDGMENT

This action came before the Court for a Hearing on Defendant's Motion to Affirm the Arbitration Award and Plaintiff's Motion to Vacate the Arbitration Award. The issues have been heard and the Court Orders the Motion to Affirm the Arbitration Award is Allowed and the Motion to Vacate the Arbitration Award is Denied.

IT IS ORDERED AND ADJUDGED JUDGMENT FOR THE DEFENDANT T.D. WATERHOUSE.

TONY ANASTAS
Clerk

Seal of
United States District Court
District of Massachusetts

s/Elisabeth Smith
Deputy Clerk

Supplemental Appendix 28
Motion To Request Ms. Kelly Davis To Testimony on the Court

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

PLAINTIFF:	)	
De Shen	)	
	)	Trade Fraud on
v.	)	March 7, 2000.
	)	
DEFENDANT:	)	Civil Action
T. D. WATERHOUSE INVESTOR	)	No. 00-11190-WGY
SERVICE, INC.,	)	
	)	

Feb. 17, 2003

Plaintiff's MOTION
To Request Ms. Kelly Davis To Testimony on the Court

The deadline of submitting the Panel candidate list is Dec. 24, 2001. The Plaintiff selected the Panel list and submitted on Dec. 15, 2001. One day (after Dec. 24, 2001, and before Feb.1, 2002) (In the document I sent to NASD, I mentioned Dec. 26, 2002, however, I might miss remember the exact date) the Plaintiff called Ms. Kelly Davis, asked her whether the Defendant (Respondent) had submit their arbitrator list on time. **Ms. Kelly Davis informed me that**

NASD had not received the Defendant (Respondent)'s list yet. And she told me NASD would process on the arbitration panel list anyway without waiting for the Defendant (Respondent)'s list.

If Ms. Kelly Davis' statement is true, then, all the arbitrators should come from the Plaintiff selected arbitrator list. However, when the Plaintiff received the finalized arbitrator list of the Panel from Ms. Suzanne Green, the Plaintiff found that only Mr. Richard D. Jordan (4) was selected as the arbitrator of the Panel.

The Plaintiff called Ms. Suzanne Green to clarify what happened. **Ms. Suzanne Green told me that the Defendant submitted their arbitrator list on Dec. 24, 2001**.

Since the result of the arbitration is critically depended by who is (are) arbitrator(s), the Plaintiff had to file causal challenge to request Ms. Suzanne Green to clarify the timing issue. However, one month passed, Ms. Suzanne Green still unable to clarify this issue.

On a letter that the Plaintiff sent to the President of NASD, the Plaintiff wrote:
"After one month that I asked Ms. Suzanne Green regarding to the Timing Issue on the Defendant's submission of its selected Arbitrator List for the Panel, **Ms. Suzanne Green is still unable to answer my simple question. Hence, I formally propose the investigation request on this issue to NASD Dispute Resolution, Inc.**

If Ms. Suzanne Green was cheating or lying on the Arbitration Job, she should not be qualified as an Arbitration Administrator on this case."

On March 26, 2002, Ms. Elizabeth R. Clancy, the associate Vice President of NASD, replied me a letter. In her letter, **Ms. Clancy provided a third version** of this timing: "Respondent's ranking form was sent to us by facsimile, and received in our office on December 11, 2001, with an original copy arriving on December 12, 2001." People have to ask Ms. Clancy, *December 11, 2001 was far away from December 24, 2001 deadline, overnight delivery is quite enough, why the Defendant send another copy by facsimile besides the overnight delivery? Is this just like an Old Story, "when completed drawing a beautiful picture of a snake, appending legs to that snake"?*

Until now, who was lying, who was cover up, is still a riddle. The Plaintiff strongly believes that Ms. Kelly Davis was telling the truth at that moment. Until now, Ms. Kelly Davis has not lie yet. The Plaintiff request Ms. Kelly Davis to testimony on the court. If Ms. Kelly Davis could tell the truth on the court, the Plaintiff request the Court protect Ms. Kelly Davis. avoid the revenges from NASD. If she does not tell the truth on the court, then this issue will be covered up. The Plaintiff wonders whether the Court is talent enough to expose the truth.

De Shen
11 Summer Ave
Malden, MA 02148

cc Mr. Derek C. Anderson
Murphy & Michaels, LLP,
Attorneys At Law
One Liberty Square
Boston, MA 02109

cc Ms. Kelly Davis
NASD Dispute Resolution, Inc,
125 Broad Street
36th Floor
New York, NY 10004

Supplemental Appendix 29
Motion To Add NASD Dispute Resolution, Inc to Defendant List

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

PLAINTIFF: De Shen	)	
	)	Trade Fraud on
v.	)	March 7, 2000.
	)	
DEFENDANT: T. D. WATERHOUSE INVESTOR SERVICE, INC.,	)	Civil Action No. 00-11190-WGY

April 20, 2003

Plaintiff's MOTION
To Add NASD Dispute Resolution, Inc to Defendant List of This Case.

On Feb. 17, 2003, The Plaintiff submitted a Motion entitled "Plaintiff's MOTION To Request Ms. Kelly Davis to Testimony on the Court". The court clerks informed me that Mr. William Young has received this Motion and have not made any decision yet. Two months has passed. Until now, the Plaintiff has not received any court decision. **The**

Plaintiff is wondering when the Court will make the decision on the Plaintiff's Feb. 17, 2003's motion.

The Plaintiff analyzed why the Court made a wrong decision on Feb. 6, 2003's hearing. The Plaintiff believes that the major issue is that the Court ignored NASD Arbitration Administrator Suzanne Green's wrong doing. Due to the conflict interest, Ms. Suzanne Green forged the Arbitration Panel List, and later, she edited the Arbitration Hearing Tape. This constituted Arbitration Management Fraud. On the Feb. 6's hearing, Mr. William Young committed that the Plaintiff's motion is "a serious one" (See Transcript Page 2, Line 13 – 14). However, Mr. William Young did not seriously handle this case. Mr. William Young did not investigate the detail on the Ms. Suzanne Green's cooking hearing tape issue even though the Defendant did not deny this issue in many documents and on the hearing.

The Plaintiff believes that Arbitration Management Fraud is a serious criminal action. This criminal action should not be ignored. **Since this criminal action is directly associated with the arbitration of this case's Trade Fraud, the Plaintiff respectively request to the Court that the NASD Dispute Resolution, Inc should be added to the Defendant's list on this case.** Ms. Suzanne Green's wrongdoing should be punished on this Court.

De Shen
11 Summer Ave
Malden, MA 02148

cc Mr. Derek C. Anderson
Murphy & Michaels, LLP,
Attorneys At Law
One Liberty Square
Boston, MA 02109

cc Ms. Suzanne Green
NASD Dispute Resolution, Inc,
125 Broad Street
36th Floor
New York, NY 10004

cc Richard Cushing Donovan
Clerk's Office
U.S. Court of Appeals
For the First Circuit
Boston, MA 02109-4590

Note: This motion is sent to all parties by certified mail.

Supplemental Appendix 30
District Judge's Opinion to be reviewed (9)

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

PLAINTIFF:	)	
De Shen	)	
	)	Trade Fraud on
v.	)	March 7, 2000.
	)	
DEFENDANT:	)	Civil Action
T. D. WATERHOUSE INVESTOR	)	No. 00-11190-WGY
SERVICE, INC.,	)	
	)	

April 20, 2003
Plaintiff's MOTION
To Add NASD Dispute Resolution, Inc to Defendant List of This Case.

April 23, 2003

In view of the appeal, to the extent this court has jurisdiction, this motion and that filed on 3/05/03 [35-1] (request for Ms. Kelly Davis to Testimony on the Court) are both denied.

s/ William G. Young
U.S. District Judge

Supplemental Appendix 31
July 4, 2004's letter to judges of US Court of Appeals for the First Circuit

De Shen
11 Summer Ave
Malden, MA 02148

July 4, 2004

Levin H. Campbell
Juan R. Torruella
Bruce M. Selya
US COURT OF APPEALS
FOR THE FIRST CIRCUIT

Dear Sir/Madam:

On 5th Request to Answer the Basic Questions

Since Feb. 22, 2004, I have requested you 4 times to answer my BASIC questions.
However, more than FOUR months passed, you are still unable to answer those BASIC questions. Are those BASIC questions really difficult for you to answer? I wonder why you cannot answer those BASIC questions within the reasonable response time? If you are not talent enough (or do not have courage) to answer those BASIC questions, then, you may ask any judge(s) in the US COURT OF APPEALS FOR THE FIRST CIRCUIT who is

talent enough or has courage to help you to answer those BASIC questions.

If you think by using a word "denied", you may resolve all the issues in this world; it would be the #1 joke in the world!

A judge is Honorable if he/she can make correct judgments. However, judge is human. Any human can make mistake. Hence, a judge is also Honorable if he/she can correct his/her misjudgment. If a judge made a mistake, but refuse to correct his/her mistake, then People have to doubt whether that judge is qualified as a judge.

In this letter, I would like to request you the **5th** time to answer those BASIC questions. All those questions are required to be answered. If you are not talented enough (or do not have the courage) to answer those questions, then you have to openly commit your mistakes. A former apology is required.

Here are the questions that you need to answer:

(1) Should Frauds be punished?
(2) If T.D. Waterhouse made a Fraud, should T.D. Waterhouse be punished?
(3) If NASD made a Fraud or Frauds, should NASD be punished?
(4) Since NASD is a second justice organization, if NASD violated the Law, made Frauds, should NASD be double punished?

(5) If a judge does not punish Frauds, is that judge ignoring his/her duty?
(6) If a judge in District Court made a mistake, but a judge or a panel of judges from Appeals Court do not correct his/her mistake, is that judge or that panel of judges from Appeals Court ignoring his/her/their duty?

Take care and regards,

Delvin D. Shen

Supplemental Appendix 32
The return letter from US Court of Appeals for the First Circuit

OFFICE OF THE CLERK
UNITED STATES COURT OF APPEALS
FOR THE FIRST CIRCUIT

July 14, 2004

De Shen
11 Summer Ave.
Malden, MA 02148

Dear Mr. De Shen:

In accordance with the Court's June 18, 2004 order entered in Shen v. T.D. Waterhouse, Appeal No. 03-1478, the clerk's office is returning the enclosed "5th Request to Answer the Basic Questions" to you without action.

Sincerely,
Richard Cushing Donovan, Clerk

By: JULIE GREGG
Julie Gregg, Appeals Attorney

Enclosure